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THE NEW MAP OF SOUTH AMERICA

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SONGS FROM THE TRENCHES
VENIZELOS
JOHN WANAMAKER

PHYSICAL MAP OF SOUTH AMERICA

THE NEW MAP
OF
SOUTH AMERICA

BY

HERBERT ADAMS GIBBONS

PH.D., LITT.D., F. R. HIST. S.

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New York *London*

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First printing, September, 1928
Second printing, December, 1928
Third printing, May, 1929

PRINTED IN U. S. A.

TO

THE MEMORY OF

REESE MORRIS FLEISCHMANN

FOREWORD

WHEN "The New Map of Europe" appeared in 1914 we were asked why we had chosen that title. For we had written on international political relations, not on geography. There seemed to be more justification for "The New Map of Africa," the title of the second volume in the series, published in 1916. Africa was a new continent to Europeans, and most of its political history—and of its frontiers—had to do with the times in which we lived. The original query was revived in 1919 when "The New Map of Asia" appeared. What countries were there in Asia, with lately determined boundaries, that would enable one to speak of a "New Map"?

And yet the title of the series is preserved in this fourth volume, written fourteen years after "The New Map of Europe" attempted to give the story of international relations during the years leading up to the World War. We have never felt that the titles were misnomers. The map of a continent should be constantly in mind when we are studying the family behavior of the countries in it. Every year we have the privilege of telling the G-2 class at the Army War College that they must learn to visualize the map when they read about places and study countries. Without having to look it up each time, they ought to know how a country stands, geographically, in relation to its neighbors and to the open sea; they ought to have a

general idea of its mountains and rivers and ports. Just the mention of the name should bring before them its surface area, its distance from other countries, its comparative size and productivity, its peculiar economic features, how many people are in it and their general characteristics. Otherwise, the name of a country is no more than a meaningless label, for it does not connote anything precise and comprehensive.

As in the other "New Maps," our object in this book has been to take up a continent and to tell enough about the natural resources and political development to give each of the countries its place in contemporary history. We have tried to eliminate those events, dates, and statistics that are unimportant in the placing of each country in its international setting. Nearly a decade has been spent in gathering a vast amount of material and mulling it over. Many fascinating things have been barely mentioned and others have been left out altogether. The writer accepts the responsibility for the sins of omission. They have been wilfully committed.

But most reluctantly for all that! We wanted to give more space to the islands and to the constitutional question in British Guiana; to the unique lesson Brazil is teaching the world in social equality among races of different color; to the centralization of governing powers in presidential hands in Argentina; to the *latifundia* and foreign concessions in Chile; to the present Bolivian Government's determination—so much like that of the Angora Turks—to destroy age-old customs of their Indian subjects. We were eager to go into details about foreign trade of the South American republics, their attitude during the World War and toward the League of Nations after the war, and sanitation and financial reforms in all the countries.

We wanted to say more about the mestizo philosophy of government. To aviation a whole chapter could have been devoted. But we think resisting these temptations has been necessary to the purpose of our work.

While the background is not forgotten, what we have written is essentially contemporary history. Our aim has been to give in brief compass enough about all the countries of the continent to enable the reader to gain an intelligent appreciation of the South American attitude toward the rest of the world, of the relations among South American countries, and of the influence, present and potential, of these countries in international affairs.

We have no desire to display our erudition, and we believe that readers will be convinced of the accuracy of the narrative and figures, and of the correctness of quotation of speeches and diplomatic documents. Therefore, foot-note references are omitted. We have drawn upon too many sources to mention them all in a book of popular character. Several recent works, notably E. W. Shanahan's "South America: An Economic and Regional Geography," the new edition of Graham H. Stuart's "Latin America and the United States," and Professor Rippy's splendid contribution of this year, "Latin America in World Politics," give good bibliographies. Professor C. H. Jones's "Commerce of South America" has an economic bibliography with the latest titles. The literature on South America abounds in excellent books that pretend to be no more than narratives of travel but that contain valuable information and enlightening comments upon current political conditions. Some of these writers, like Harry A. Franck, spent years in their South American travels. The present generation of

scientists who visit and pass a long time in South America are worthy successors of Alexander von Humboldt and Charles Darwin.

Special acknowledgment is due to the pioneering work in the United States in this field of Professors John H. Latané of Johns Hopkins, and W. R. Shepherd of Columbia.

For the most part, however, as in the other "New Maps," we have depended upon interviews and discussions with the men who have made and are making the history we have attempted to write, and upon newspapers and other periodical publications. The gaps have been filled in by consulting books of reference, such as the indispensable "Annual Register," the "Statesman's Year Book," and the manuals and pamphlets issued by the Pan American Union, the United States Bureau of Foreign and Domestic Commerce, and several American banks. Our good friend Dr. Leo S. Rowe, Director of the Pan American Union, has been most helpful. Our neighbor at Princeton, Dr. Henry van Dyke, was the delightful and inspiring companion of a South American trip in 1926. Our mother, citizen of the world, has read both manuscript and proofs.

The other three "New Maps," happily for the author, are still being read by the increasing number of post-bellum discoverers of the fascination of the study of world politics. All we ask for the fourth "New Map" is as hearty, as sympathetic, and as continued a reception as that accorded its predecessors.

HERBERT ADAMS GIBBONS

Princeton, October 1, 1928.

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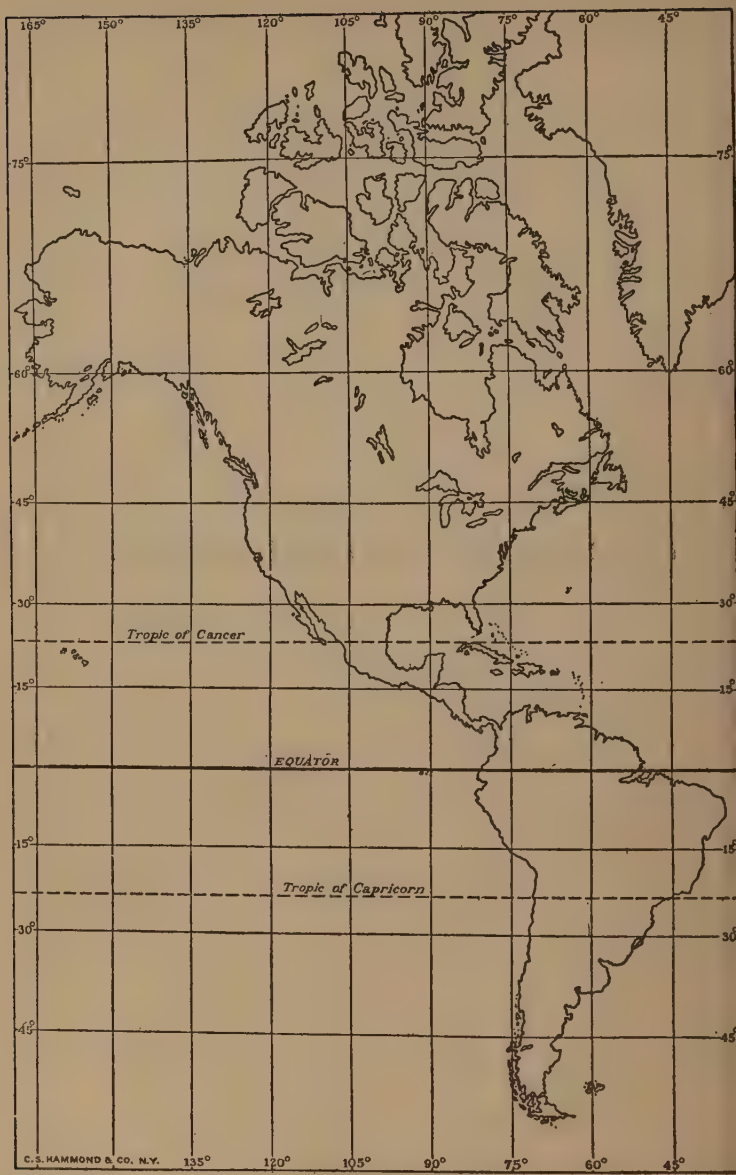
THE NEW MAP OF SOUTH AMERICA



THE NORTH AND SOUTH AMERICAN CONTINENTS IN RELATI
TO LATITUDE AND LONGITUDE

THE NEW MAP OF SOUTH AMERICA

CHAPTER I

THE BACKGROUND OF THE SOUTH AMERICAN REPUBLICS

THE equator strikes South America at the mouth of the Amazon River. Within the ten degrees north lie the three Guianas, most of Venezuela and Colombia, and Panama. Within the ten degrees south the Amazon Valley region of Brazil reaches westward to Ecuador and Peru through the widest part of the continent. The heart of the equatorial region of the Western Hemisphere, therefore, belongs to South America. By the time the continent reaches the portion of the temperate zone most hospitable to European races it is narrowed down to a width not greater than that of Mexico. Between the thirtieth and fiftieth degree north we have the United States and the most populous belt of Canada. Within the corresponding parallels South America has room only for Uruguay and the central and southern parts of Argentina and Chile.

The English began their colonization of the New World, and their later conquests from the French and the Dutch, in a climate in which Europeans could

thrive. As the colonists penetrated westward into the rich country that opened before them, the forests were free from jungle and the rivers from fevers; and they went more than two thousand miles before coming to snow-capped mountains with a desert beyond. They found few aborigines, and none who had evolved very far beyond the nomadic stage. Highly developed civilizations were met by the Spanish in Mexico and Peru, and almost everywhere in Central and South America Indians were numerous and settled on the land. The existing inhabitants could not be uprooted and driven elsewhere easily or exterminated quickly. Before the era of exploring and pioneering had passed and the propitious time came for extensive colonization and development, the colonizing powers of South America were in decline in Europe. Spain and Portugal had lost the supremacy of the sea. They were unable to prey upon the Africans as the French and English did, and thus slave labor for the rapid economic development of their overseas possessions could not be introduced in large amount.

We shall not understand the history and present status of the countries of South America unless we keep in mind the essential differences and background between Anglo-Saxon and Latin opportunities for developing modern states in the New World. The United States and Canada came into being and grew through transplanting Europeans who brought with them everything they needed for their new life, and who kept replenishing and increasing their number by further immigration. The land was hardly cleared when they supplied the demand for labor by engaging in the African slave trade. In no way did they depend upon or have to reckon with the native Americans: they

gave nothing to them and they borrowed nothing from them except names of localities. The Anglo-Saxon answer to the question of what to do with the aborigines is our Indian reservations: we have never had anything better to offer in solution of this problem.

Spanish and Portuguese, on the other hand, were never in sufficient numbers to transport, stock and barrel, their Old World civilization to America; and they did not exterminate or oust from their lands and put into confinement the native population. Cruel as they were and relentless in the employment of forced labor, the Spanish did not replace with immigrants from their own or other European countries the people whom they found when they first came to Central and South America. After the conquest of the Aztecs and the Incas, the Iberians limited their activities to missionary work and the search for gold and silver and precious stones. The governments they set up were hardly more than mining enterprises. The few thousands besides the official classes and the garrisons who came out during the sixteenth and seventeenth centuries took to stock-rearing and gathering forest produce. Near the coast they cut and exported timber from the inexhaustible supply. Lack of native labor made agriculture unprofitable.

Most of the functionaries and virtually all of the soldiery were unaccompanied by women. The appearance of a hybrid Spanish-speaking race was inevitable. The mestizo—mixture of white and Indian—multiplied rapidly, and was constantly being added to by the infusion of new Spanish blood. The negroes who came from the West Indies to the Caribbean coast were soon a noticeable element in what is now Venezuela. They were also brought into Brazil as

slaves. But the mulatto—mixture of white and black—never developed in South America in the same degree as in the United States, although his position was recognized as separate from that of the pure black in Latin America. Another race, the zambo—mixture of Indian and negro, or of both and white—took its place as the sixth element in South American population.

When the Napoleonic wars weakened and paved the way for the severing of the ties binding Spanish America and Brazil to Spain and Portugal, there were three viceroyalties in South America. The viceroy of Peru, whose capital was Lima, oldest and most delightful of Spanish towns in South America, was supposed to be the general supervisor of the whole continent. A part of Bolivia was at times attached to Peru, but there was a separate captaincy-general of Chile, whose governor made his headquarters at Santiago. New Granada, embracing what are now Colombia and Panama, was the second viceroyalty, upon which depended the captaincy-general of Venezuela and the presidency of Quito. The third viceroyalty was that of La Plata. The government of this region had originally been centered at Asuncion in Paraguay. At the end of the eighteenth century the capital had found its way to the coast, at Buenos Aires. Its viceroy governed the provinces of Argentina, Uruguay, Paraguay, and Bolivia.

The rest of South America—nearly half the continent—was the Portuguese colony of Brazil. The Dutch and French had footholds on the coast, not far above the equator, and extended their sovereignty, as the British had done, over some of the numerous islands that formed the wall of the Caribbean Sea, circling in a curve north from the mouth of the Orinoco.

The present South American republics have developed from the distinct governmental units of Spanish days. But their boundaries in the interior with one another and with Brazil were not clearly defined. In fact, most of the regions where one viceroyalty or captaincy-general met another or touched upon Portuguese territory were not explored.

The movement for independence among South American colonies began before the United States was twenty years old. The bond with the mother country was no longer strong when the Napoleonic upheaval led to the separation. The educated element in the colonies, though not large anywhere, was beginning to feel, as English colonists had felt in North America, the injustice of arbitrary taxation and the hindrances to free commerce imposed by Spain. Fanatically proud as this element was of its Spanish heritage, it realized, when the policies of Napoleon forced Spain into an alliance, that independence, following the example of the North American British colonies, was desirable and practicable for South Americans also.

Francisco de Miranda, who had served in the American and French Revolutionary armies, was the first active agent in the movement to destroy Spanish sovereignty in South America. In 1798 he tried without success at London and Washington to get official encouragement of and aid for a revolution. His persistent efforts failed. Both British and Americans had too much on their hands. It was at France, not Spain, that England wanted to strike, while the United States was more the enemy of England and France than of Spain. Miranda took a filibustering expedition from New York to Venezuela in 1806. But this and subsequent attempts were premature.

An interesting chapter of American history, not widely known, is the British descent upon Buenos Aires and Montevideo in 1806 and 1807. The attempt to annex the viceroyalty of La Plata was justified by Spain's alliance with England's enemy. The English expedition had not sufficient forces to break down Argentine resistance. But this British invasion, followed by Napoleon's conquest of Spain the next year, hastened the revolution in Spanish South America. In putting his brother on the throne of Spain, Napoleon gave the revolutionary groups in South America an excellent excuse to break with the past and with Europe. How could Napoleon have expected loyalty to the new government from the overseas colonies? Spanish officials and garrisons in South America were also in a quandary. The first uprising at Quito in 1809 was unsuccessful, but in 1810 Valparaiso, Santiago, and Bogotá deposed their rulers. This act was not a declaration of independence: it was a refusal to recognize the régime imposed upon Spain by Napoleon. Venezuela made the first actual declaration of independence on July 5, 1811. The United States sent a representative to Carácas, and appointed consuls to the seats of the revolutionary governments of the south, Buenos Aires and Santiago.

The outbreak of the War of 1812 turned the attention of North America from the Latin-American movement for independence, and the whole of Europe was convulsed with the last great effort of Napoleon to remain the master of its destinies. The South American revolutionists, left to themselves, without leaders to organize armies and bring about coöperation between different groups, made little progress. The Spanish were not numerous, and suffered also by being

cut off from Europe; but they had the arms and ammunition. In 1814, when King Ferdinand was restored to the throne of Spain, he sent reinforcements and supplies for the reconquest. Within a year only Buenos Aires had not succumbed. It looked as if South America would acquiesce in the determination of the Congress of Vienna to have the world restored to its pre-Napoleonic status.

But the leaders arose, San Martin in Argentina and Bolivar in Venezuela. San Martin, a native of La Plata, returned to help the rebels of his country after a valuable apprenticeship in the Spanish army on the Continent. A man whose genius was equal to his courage, he realized the futility of waging guerrilla warfare in the vast stretches of northern Argentina. He withdrew to the interior, far from any contact with the Spanish, to spend two years in organizing and drilling an army and in providing it with battle equipment. Then he made his brilliant march across the Andes into Chile in the early part of 1818, rallied around him the revolutionists west of the Andes, and destroyed the Spanish power in Chile in the great battle of Maipo on April 5, 1818. The next year Bolivar defeated the Spaniards at Boyaca in New Granada, after having failed in Venezuela. San Martin returned to Argentina, completed the liberation of his country, and after two more years of preparation crossed the Andes a second time to join the Chileans in carrying the war into Peru, last stronghold of Spanish power.

Spain could not move troops easily in the interior from one place to another, but the revolutionists suffered the same handicap. To take the offensive was a herculean task. It was only when Spain lost control of the sea that the Argentines and Chileans were in a

position to invade Peru effectively. Escorted by the Chilean fleet under Lord Cochran, San Martin moved his army up the coast in commandeered vessels and landed in Peru. At the same time Bolivar invaded Ecuador. The Spanish withdrew to the mountains, abandoning Lima and strengthening the Callao garrison. Coming from the south in the summer of 1822, San Martin joined forces with Bolivar at Guayaquil. But it was not until the battle of Ayacucho, in the mountains of Peru, on December 9, 1824, that the last Spanish army in the field was destroyed. King Ferdinand maintained fortress garrisons in southern Chile and at Callao until January, 1826. When he bowed before the *fait accompli* and withdrew these last forces, the South American republics had already been organized for several years.

Into a paragraph or two we have condensed the story of a struggle almost without parallel in history. In the miracles they wrought during the war of liberation and in the self-abnegation they showed after victory placed unlimited power in their hands, the South American liberators rivaled Washington and Garibaldi. If the same results did not follow their exploits, it was only because they had too great and too sparsely populated a country to organize. The people of the liberated provinces were too mixed in blood, and very few of them had training in or cherished traditions of constitutional government. Mountain ranges and plateaus and deserts were formidable barriers between Argentina and Chile and between Chile and Peru. Direct connection between Argentina and Peru was lacking not only because of the mountains but because of a vast region of jungle and river basins, impenetrable or inhabited by savage

tribes. Tropical jungles, and cannibals too, were added to the mountains as barriers to free intercourse between Colombia, Venezuela, and Peru.

Although the dreams of the liberators were not realized, and their personal influence on subsequent events was not as great as they had hoped, their deeds were not forgotten. After more than a hundred years, at Santiago a graphic panorama of the battle of Maipu keeps alive the memory of the aid borne to the Chileans by the Argentines in the early years of the epic conflict. At Mendoza, where the Argentine army began its passage over the Andes, the march of San Martin is commemorated by a huge statue. Its bas-reliefs and inscriptions tell the glorious story of the heroes who crossed the mountains, and of their women, who made an even greater sacrifice for the sake of liberty. Bolivar's name is preserved for posterity by one of the countries which owed its independence to him; and his statue is in the public square of the capitals of them all, and also in Central Park, New York.

The Holy Alliance would gladly have helped King Ferdinand recover his American colonies. When the Congress of Vienna first assembled in 1814, Simon Bolivar was already dictator of Venezuela. Eighteen sixteen brought news of the Convention of Tucumán, which was the declaration of independence of the Argentine provinces. In 1817 Dr. Fancia made himself dictator of Paraguay. The freeing of Chile by San Martin at Maipo in 1818, and of Colombia by Bolivar at Boyaca in 1819, gave Metternich and his fellow-devotees of the *status quo* furiously to think—and to fear. A repercussion in Spain of the republican movement was inevitable. Its revival in France,

through contamination, caused many an anxious moment. Then Yturbide made himself Emperor of Mexico, and the son of the restored King of Portugal did the same in Brazil. Both these events took place in May, 1822.

There had already been talk of concerted European intervention in the South American war of independence at the Congress of Laibach in 1821; and when Metternich marshaled his emperors and kings, his grand dukes and diplomatists, at Verona in October, 1822, it required only the word of Great Britain to start what would have been virtually a pan-European expedition to crush the revolutionary movements throughout South America. The stubborn resistance of the separated armies and garrisons of Spain in the New World was largely due to this hope, which died hard.

The infant republics of South America looked to their older sister of North America, whose example they had followed. Buenos Aires sent a representative to Washington in 1816 to win support for the Convention of Tucumán. The next year the province of La Plata had an agent at Washington who told the State Department that he had been commissioned by "an independent state." This led to President Monroe's first public utterance on the question of recognition of the South American revolutionary governments. On December 2, 1817, Monroe said that the United States was sympathetic to the revolutionists, but that its policy was the maintenance of strict neutrality. This showed that the White House agreed with the State Department. The secretary of state, John Quincy Adams, held that no revolutionary government in South America had proved itself as yet in effective

administrative control of the country over which it claimed jurisdiction and should not at that time be so recognized.

Recognition would not have come up in Congress had not the opposition tried to use it as a political weapon. Henry Clay made himself the champion of the South American revolutionists. His brilliancy and his tremendous forensic ability got him nowhere, however, simply because most members of Congress realized that President Monroe was carrying on delicate and difficult negotiations with Spain over Florida. They were sensible enough to put the acquiring of Florida ahead of listening to sentimental appeals from South American insurgents. But after the purchase of Florida had been ratified by Spain, President Monroe gave the South Americans definite encouragement and in 1822 began to recognize the new republics. Colombia was the first with which the United States established diplomatic relations, and Buenos Aires came next. These acts of recognition, of course, were the necessary steps to take before the promulgation of the Monroe Doctrine.

At this same moment, San Martin and Bolivar were conferring at Guayaquil. The Argentine general, always a realist, pointed out to his Venezuelan colleague the impracticability of the dream of a united Spanish South America under the hegemony of Colombia. Geography and irreconcilability of economic needs, he said, were against it. But although he was supreme in Peru and had an army devoted to him, San Martin was unwilling to force his point. It was uncertain what the Holy Alliance might do. There were still Spanish armies in the field. Civil war, or even a break in the solidarity existing up to that time, would have been

fatal. San Martin retired from Peru, leaving the power and the problems in Bolivar's hands.

After the final battle of the war of independence, Bolivar exclaimed, "Now begins the peace of America!" Still in his early forties, and fired by the enthusiasm of his successes, in a circular letter of December 17, 1824, Bolivar convoked the former colonies of Spain to meet at Panama to discuss their common interests. Later, invitations were sent to the United States and Brazil; and Great Britain and the Netherlands, which had important interests in the neighborhood of Venezuela and in the Caribbean, were asked to send observers. The only outright opposition was from the united provinces of Rio de la Plata. As San Martin had warned him, the Argentines were not disposed to accept the leadership of distant Colombia. Paraguay ignored the invitation. Chile and Bolivia were dilatory, and appointed delegates after it was too late to get there. Although Brazil and the United States accepted, they were not represented.

The Congress of Panama was the precursor of Pan-American conferences. But, like most pioneers, Bolivar did not live to see his dreams realized. When he died, at the age of forty-seven, in 1830, half a dozen republics, not too friendly with one another, were in existence in South America. Brazil was engaged in boundary disputes with all of them except Chile. The South American population of European descent lived mostly on or near the coast. Vast areas of the interior contained only scattered Indian tribes which had never been under either Spanish or Portuguese control. Inside the independent states already formed rival leaders were aspiring to dictatorship. One of the continent's chief sources of revenue and its principal claim

to the interest of Europe, gold and silver mining, had almost disappeared during the war.

Bolivar's experiences of a decade with provisional Latin-American governments led him to utter bitter though prophetic words. His last comment on the results of his life-work was:

> There is no such thing as good faith in America either between men or between nations; treaties are scraps of paper, and constitutions only books; elections are fights; liberty is anarchy, and life is but a torment!

No statement born of disillusionment and inspired by discouragement can be more than a half-truth. The man who comes down from the mountain top, having had a vision, as Bolivar did, may by very contrast see some things clearly. But he does not see them wholly. Although the first century of the republics of South America did not fulfil the dreams of the men who freed the colonies from Spain, what has been accomplished makes South America a factor of tremendous importance in the world to-day. Offsetting the failures and the things to be ashamed of are achievements both in the moral and material spheres of no mean order. These we shall endeavor to trace, taking up the South American republics one by one. Nowhere is it a mediocre record or a discouraging story. And citizens of the United States will see throughout that although we have monopolized the name American, and have come to pride ourselves upon what it connotes in material and intellectual achievement, others of the Western Hemisphere are as worthy—by these same tests—to bear it before the world as ourselves.

CHAPTER II

ARGENTINA

ARGENTINA did not turn out to be the country whose mines yielded silver in large quantities for centuries. But it was none the less well named. Greater wealth than the conquistadores ever dreamed of has been drawn from Argentina. Its climate and resources are more varied than those of any other South American republic. It has by far the largest area climatically favorable for European settlement. The flood of immigration has come during the last fifty years, as it has come only to the neighboring Uruguay and southern states of Brazil. The rest of South America is a new civilization, strongly influenced, in blood and customs, by indigenous elements. The rich and populous region of Argentina is Europe transplanted.

The wide range of climate in Argentina, in itself an indication of different forms of productivity, is best realized by a study of the map. The frontier with Bolivia is above the Tropic of Capricorn, closer to the equator than Rio de Janeiro. At the southern extremity arises Mount Darwin in Tierra del Fuego, a thousand miles nearer the South Pole than Cape Town. From the Atlantic the Straits of Magellan are entered through Argentine territorial waters. From tropical to frigid Argentina the western boundary with Chile,

formed by the cordillera of the Andes, is two thousand miles long. The widest part, in the temperate zone, is nearly a thousand miles. The northeastern frontier touches Paraguay, Brazil, and Uruguay. Here Argentina possesses half of the river basin of La Plata and its tributaries, which is second in area in the whole world. It is surpassed only by the basin of the Amazon. Buenos Aires is in the estuary of La Plata, and not far above the capital the Paraná River, navigable to the Paraguay frontier, carries one north into the heart of the continent.

In the early days of Spanish conquest, explorers and missionaries and conquerors pushed far into the interior and established settlements there of comparatively greater importance than those on the coast. The Spaniards, when they became settlers after the search for easy wealth had failed, dealt in forest produce or made their homes in the high table-lands on the border of the mountainous zone. Hence the choice of Asuncion as regional capital, and the rôle of Tucumán, Rioja, and Mendoza of the western provinces in the war of independence. Few in number, the Spanish tried to keep the provinces of La Plata in touch with Peru and Chile, despite barriers that are still formidable in our era. For forests are impenetrable and mountains are the highest of the Western Hemisphere.

In the mountainous zone of Argentina, table-lands extend the entire length of the Chilean frontier. Here were water and a country favorable to pioneers. They could raise their foodstuffs without too great difficulty, and the grazing lands for cattle were as limitless as in our own west and the highlands of south central Africa. In a country like this it was natural that a hardy race should develop, whose ablest members

became the owners of land and water rights and grew rich in live stock. But their herders did not have the background and the independence of our cowboys. If not pure Indian, they were mestizos; and they did not rise above the estate of peonage. For all that, they possessed upland qualities, and had the initiative, the courage, the capacity of endurance that made them excellent soldiers. These were the Argentines who rallied round San Martin and crossed the Andes twice, to aid in the delivery of Chile from Spanish rule and coöperate with Bolivar in ousting the Spanish from Peru.

In the north the pioneer Argentines extended their activities into the Gran Chaco, on the west side of the Paraná and Paraguay rivers. This region, appropriately called "the great hunting-ground," is not so densely forested as the Amazon, but is in most part less easy to enter. Where the forests were thickest and remote from navigable waterways, there was little incentive for the Argentines to extend their control. These regions, still inhabited by Indians of hostile and little-known tribes, went to Bolivia and Paraguay. Argentina's portion of the Gran Chaco is the most accessible. Forest products can be got to the outside world. The great plain can support cattle. If people of European stock have climatic conditions to overcome, still they have managed to live there and are all the time intensifying their activities. Those who serve them, however, as in the table-lands, have much in common, in blood and conditions of life, with the peons of the rest of South America.

Actually and potentially the richest region of Argentina is the vast level plain extending to the north, the west, and the south for several hundred miles from

Buenos Aires. Until sixty years ago, when the development of steam transportation began to make possible European markets for New World meat and cereals, there was virtually no possibility of settlers making more than the barest living in these alluvial plains, known as the pampas. But as the dependence of Europe upon distant food supplies has increased, Buenos Aires has become an agricultural center of world importance. The later history of Argentina is the story of the development of the pampas by European capital and immigration pouring into this country in a ceaseless flood.

South of the pampa region lies Patagonia, which has become of economic importance only in the lifetime of the present generation. The boundary with Chile had never been delimited, and for decades Chileans and Argentines, penetrating the fringe of Patagonia, were uncertain as to the political sovereignty under which they lived. Sheep farmers were the pioneer whites in Patagonia. They advanced slowly and uncertainly, because of lack of transportation for their wool and mutton; and they were frequently at the mercy of Indian raiders. The Argentine Government, in the eighteen eighties, realizing that the presence of huge flocks of sheep on the pampas prevented the development of the cereal and cattle industries, decided to give military protection to the shepherds and thus encourage them to go south. The Indians were subdued, a railroad was built inland from Bahia Blanca, and thus began the exploitation of the Patagonian plateau. From the Rio Negro to the Straits and over in Tierra del Fuego European settlement began. This wise policy left the pampas to the kinds of agricultural development and stock-rearing

that would bring the richest return, and opened up for sheep-owners a new region ideally adapted to grazing.

The first half-century of Argentina's existence as an independent nation is similar to that of most of the Latin-American republics. But we shall recapitulate it briefly in order to explain how this powerful member of the family of nations came into being and was solidly established as a Spanish-speaking country.

In the earliest days of Spanish overlordship, when there were few Europeans in this part of the world, the viceroyalty of La Plata was ruled from Asuncion, now the capital of Paraguay. In 1620 Buenos Aires, less than a hundred years old, was separated from Asuncion and for nearly two centuries the relations between the sparsely populated provinces of La Plata were undefined. At the time of American independence the region which is now Argentina, Paraguay, Uruguay, and most of Bolivia was in the same viceroyalty. Buenos Aires became more and more important as communications by sea were improved. During the Napoleonic wars the British held Buenos Aires for two months in 1806, and were defeated in an attempt to regain control the following year. Left to themselves the inhabitants of the provinces of La Plata joined in the movement of rebellion against Spain that followed the Napoleonic usurpation. Buenos Aires revolted in 1810 and contributed to the defeat of the Spanish at Tucumán in 1812.

On July 9, 1816, the provinces of La Plata declared their independence. But there was no solidarity among the leaders. The Paraguayans refused to cast in their lot with the other provinces and isolated themselves under the dictatorship of Dr. Fancia. Uruguay, known as the Banda Oriental, was seized by Brazil.

Upper Peru, now Bolivia, followed the example of Paraguay. The other provinces could not agree among themselves. An effort to establish a common country failed in 1819. At the end of 1824 a new constituent assembly was held at Buenos Aires, which drafted a tentative constitution for "the Argentine nation." Ratified in 1826 by the province of Buenos Aires, the nucleus of a new republic was established. But the other provinces rejected the constitution. Civil war between unionists and federalists followed, with no decisive result. General Rosas became dictator of Buenos Aires and claimed that he was the president of the Argentine Republic.

At that time there were really no common economic interests to bring and hold the provinces together. Paraguay could successfully maintain its isolation. When the Banda Oriental rid itself of the Brazilians, with the help of the provinces of La Plata, its leaders, too, rejected the constitution of Buenos Aires and set up the independent republic of Uruguay.

General Rosas ruled Buenos Aires for a quarter of a century. He never succeeded in securing the acknowledgment of his authority by the other provinces. But Buenos Aires held the trump card of location. Rosas was in communication with the outside world. The United States had recognized the independence of the united provinces before the rejection of the constitution, and the United States and European nations conducted their affairs through Buenos Aires. Rosas represented the whole country in its foreign relations. The disruption of the republic (or the failure to form it) remained an internal question. The president of Buenos Aires was the leader in the war against Brazil, and it was he who conducted the first frontier negotia-

tions with other republics, although he was not in actual control of the provinces directly involved. He was at the helm when hostilities broke out with Bolivia in 1838 and with Uruguay in 1842. General Rosas enlisted the support of the United States in disputes with European powers. He was the first to invoke the Monroe Doctrine, and on more than one occasion received backing at Washington and the good offices of our diplomatic representatives in Europe. The French blockaded Buenos Aires in 1838, and joined with Great Britain in declaring a blockade in 1845. The American chargé d'affaires at Buenos Aires stood behind Rosas at this time against the British and French representatives by refusing to recognize the blockade.

During the critical second quarter of the nineteenth century, when the United States was not powerful enough to assert the Monroe Doctrine as more than a declaration of principle, it was better for Argentina, perhaps, that there should be a powerful and ruthless dictator at Buenos Aires than a weak and uncertain government formed by a coalition of provinces which had not yet come to the point of recognizing that union was for the common good of all. Rosas was a tower of strength against European intervention, and he prevented the internationalization of the estuary of La Plata.

His long dictatorship, too, paved the way for a genuine democratic régime in Argentina. One might say that his rôle was that of the monarchy in France, as conceived by Richelieu, in resisting the local feudal leaders, whose tyranny over those immediately around them was worse than the juster despotism exercised by a central authority.

Rosas had his ideal of a united Argentina, and although he did not realize it, his championship, against enemies abroad and at home, of the united Argentine Republic, mistress of its destinies, made possible what later happened.

Rosas was overthrown by the aid given to an old opponent, Governor Urquiza of the province of Entre Rios, by Brazil and Uruguay. Urquiza called a constitutional convention at Santa Fé on November 20, 1852, which adopted a federal constitution. It was proclaimed on May 25, 1853. Buenos Aires did not attend the convention and refused to ratify the constitution. This uncompromising attitude was maintained for five years and ended in another civil war. This time the federal (provincial) forces were the stronger, and with the fear of seizure of the city before it, Buenos Aires agreed to enter the confederation. A new constitutional convention was held at the beginning of the year 1860 at Buenos Aires. The amended constitution provided for the creation of a republic with fourteen provinces and ten federal districts. Before the end of the year, when the amendments had been ratified by the other provinces, Buenos Aires accepted the constitution.

But Buenos Aires still held to a centralized republic and interpreted the amendments to mean this. The federal government declared martial law in the province of Buenos Aires. Civil war again broke out, but this time the appeal to arms resulted in a verdict in favor of Buenos Aires against the other provinces. The military leader in the victory, General Bartolemé Mitre, exercised a short dictatorship, during which the first election of an Argentine parliament was held in April, 1862. Two senators each were elected by the provinces,

and deputies by popular vote. Mitre was chosen the first president of Argentina by indirect vote a few months later, for a fixed term of six years.

After San Martin, Rosas, and Urquiza, Mitre had a unique opportunity. His predecessors struggled during the formative period with a nation in the making. Mitre, who had founded "La Nación" nine years earlier, had paved the way for his constructive work through his newspaper, and had made possible his own opportunity through leadership on the field of battle. The opponents of united Argentina, wearied by forty years of strife, were ready to undertake the experiment. Mitre had the moderation and the vision of a great national leader. He was internationally minded at a time when that was the proper attitude to take, and he was generous to political opponents and to foreign foes when mercy was the part of wisdom. Only a man of his temperament and mentality could have so quickly brought the warring factions together and turned their attention to the work of building up a united nation.[1]

Mitre had been president scarcely three years when Argentina was forced into a war with Paraguay, of which we shall speak in a later chapter. Uruguay and Brazil joined Argentina, and Mitre became the commander-in-chief of the allied armies. This bitter struggle was complicated by a new internal insurrection in Argentina. Long before it was ended, Mitre's term of office expired. His successor, Dr. Sarmiento, not only continued the policies of Mitre, but sent him to Rio as envoy to settle questions that threatened a conflict

[1] The fame of the first president of united Argentina has rightly increased with time. On July 8, 1927, a statue of Mitre was unveiled at a brilliant ceremony at Buenos Aires in the presence of fifty thousand spectators.

between Argentina and Brazil after the common victory over Paraguay.

In 1874 General Mitre was defeated in his campaign for reëlection by Dr. Avellaneda, a decision of the polls which he tried unsuccessfully to challenge by arms. Avellaneda took a leaf from the book of both his immediate predecessor and the great national hero whom he had vanquished. His policy was that of appeasement. He did not favor Buenos Aires against the provinces, because he saw clearly that the growing economic importance of what was already becoming the greatest city in South America would decide the question. At the end of his term, however, after having tried to assert the federal authority by a display of force, he withdrew from Buenos Aires in order to avoid civil war. The irreconcilable elements in the city and province of Buenos Aires interpreted the withdrawal of the government as a declaration of war. The president called upon General Roca, who had just concluded a successful campaign against the Indians, to put down the rebellion. Roca fought his way into Buenos Aires and expelled the recalcitrants, receiving the moral support of foreign diplomatic missions and the new European element in the population alike. The victorious and then popular general was elected president. His first act was to make the city of Buenos Aires the federal capital, and separate it from the surrounding province.

It is unnecessary to go into later and less significant phases of internal political strife. The last revolt by the party out of office took place in 1893. There was a provincial revolution in Entre Rios in 1900, and a military outbreak in Buenos Aires in 1906. But 1880 marked the end of serious troubles, and since that time

leaders of all parties have been loyal to the Argentine nation. Buenos Aires, the capital, and all the rest of the country as well, found prosperity through peace; and what internal difficulties there have been since then are of a social and not a political character.

Our reason for tracing the confused story of two generations of turbulent internal history has been to show how the Argentine nation, as it exists to-day, was founded and a stable government finally established by the Spanish element of the population. Although it took sixty years to accomplish this great work, Latins of Spanish and mixed blood did it. The Argentina that we have to-day, then, predominantly a transplanted European civilization unlike that of other South American countries, is Spanish in its origin and culture, and has remained as much so as the United States has remained Anglo-Saxon.

Beginning about 1870, during the term of Mitre's immediate successor, Argentina began to win a place among the nations of the world. Aside from the final establishment of internal peace, which was the *sine qua non* of national growth, Argentina of to-day owes her unique position among South American republics to her ability to attract from abroad capital and immigrants to develop her vast resources.

Shortly after the presidency of Mitre, the United States discriminated against Argentine wool, because in its unwashed state it was heavier in grease than the wool which came from Australasia. This was one of the considerations that led to the Indian campaigns in the south central table-lands and Patagonia. There had to be found pasturage for sheep south of the pampas. Argentina was compelled to turn to cereals and beef. These newer industries revolutionized the pampas and

influenced the exploitation of the Gran Chaco. The potential wealth of the pampas attracted capital from Great Britain and France and immigrants from Italy and Spain. Railroad-building began on an extensive scale. Steamers seeking freight came to Buenos Aires and to Rosario, farther up the river. With the increase of population the sugar and yerba maté industries, largely for home consumption, grew rapidly at Tucumán and in the northern tropical region.

Two million Italians, a million Spanish, and hundreds of thousands from other parts of Europe went out to the Argentine as their promised land. The result is a country of ten millions, with a capital of over two millions, and an urban foreign-born population of at least a million. Nowhere else in South America have foreigners come to settle in any such large proportion to the native born except in the southern states of Brazil. In the New World Argentina has thus become the rival as a "melting pot" of the United States and Canada; and it has developed, with its cosmopolitan population, a plutocracy of recent creation like that of the Anglo-Saxon republics of North America. Owners of land and possessors of capital, in fact, have even more power than with us, for the opportunities of evolution through education are less than in Anglo-Saxon countries.

During the first half of the period of immigration, when the country was still in its infancy as a constitutional republic, the flood from the Old World did not swamp Argentina and change its politics and culture. Suffrage was restricted and elections were corrupt. The educated and forceful element among the new-comers was not large, and the object of its coming was to do business as merchants and middlemen in

Buenos Aires and Rosario, or to work in connection with the railroad or other concessions being exploited by foreign capital. Its policy was to keep in with the powers that be.

Most of the immigrants were Latins of the laboring classes. The Italians particularly, as was so frequently the case in the United States during the same period, were seasonal laborers on the pampas or contract workmen in the development of public utilities. Largely illiterate, they had crossed the ocean not to colonize but to make and save money, and then go home with it. They cared nothing for the vote; few of them had their women and children, and they were not interested in schools or in learning the Spanish language. Conditions of life were not unlike those to which they had always been accustomed. The high cost of living discouraged permanent settlement; and social and political, as well as economic, conditions were unattractive to colonists from northern Europe. Among the Spanish and Italians, the majority of those who stayed on and decided to cast in their fortunes with the new country were only class conscious, if conscious at all, in their attitude toward society. It was a period, too, of constant and intensive development of the new national resources and of railway-building, which made thousands become nomads.

In 1904 the total population was about half what it is to-day; and only in Buenos Aires and other ports had the foreign-born element established a permanent residence. From 1904 to 1928 the type of immigrant has not greatly changed. But since the World War the continual flow back and forth from Europe has almost stopped. It is more difficult to get visas. Mussolini is not letting Italians leave Italy easily, and

Argentina has tightened her restrictions. The cost of the passage has doubled. So a much larger proportion of those who come stay. It is not so pleasant back home as it used to be, and there is always the fear that a visit home may mean not being allowed to return again. Nor is it as easy as it used to be for immigrants who didn't like Argentina to pack up and go to the United States. They cannot get into the United States any longer. In 1908, 255,000 immigrants entered Argentina and 85,000 left. It is not like that now.

Since the World War the peak year of immigration was 1923, when nearly a quarter of a million entered the country. In 1926, in an effort to stimulate immigration, the Government purchased fresh land to sell on long terms to immigrants. An extensive settlement scheme was launched in Rio Negro; and the railway companies coöperated by offering land for settlement along their lines. The dropping off of Italian immigrants, due to Mussolini's new policy, was greatly felt. Up to 1926 Italy led in the number of immigrants to Argentina. Italian statistics showed greater emigration only to France.

The immigration policy of Argentina is written into the constitution, the twenty-fifth article of which says: "The Federal Government shall encourage European immigration and shall not restrict, limit, or place any tax upon the entry into Argentine territory of foreigners who come with the object of cultivating the soil and engaging in local industries." Argentina, at a different stage of development from our own, can well afford to have her constitution read this way. We have seen the excellent arrangements for the comfort of immigrants and the rigid character of sanitary and police inspection, which work out for their protection.

There is a hotel near the landing stage at Buenos Aires capable of affording free accommodation for five days to one thousand immigrants at a time. The immigrants are transported free, with their goods, to any province and kept ten days at the expense of the Government. We have been told that the immigrant hotels at Rosario and Bahia Blanca are equally comfortable and well-run.

But for all that, Argentina has had the same difficulty as the United States to induce her immigrants to go out on the land and stay there. They clutter up the cities, especially the ports of landing. Buenos Aires is next to New York and Chicago as a New World metropolis, having recently passed Philadelphia. No city of Spain or Italy is nearly as large. It has more Italians than Rome and more Spanish than Madrid. But the proud possession of a city of over two millions, although there is never much unemployment, is not an unmixed blessing. It is exasperating to have the pampas and the Gran Chaco calling insistently for more labor, the lack of which is the only impediment to the triumphal progress of agricultural production, when Buenos Aires is oversupplied with laborers. The immigrants make rents dearer, housing unsanitary, and unemployment serious in times of financial depression or when public works are suspended. Their urban tenacity has made the cost of living greater than in New York. We solve the problem by a drastic restriction of immigration. Argentina is tending in the same direction. But her problem is more aggravated than ours. The city of Buenos Aires contains 20 per cent. of the population of Argentina; and its laboring classes are more closely allied, by origin and maintenance of contact, with European anarchistic and

extreme Socialist movements than are the working people of North American cities.

This is why we so frequently hear of serious labor troubles in Buenos Aires. In 1907, following an extensive railway strike, the Government had a law passed authorizing the deportation of anarchists and other undesirable agitators. The trade-unions decided upon a general strike, to take place at Christmas. Had not the decision been rescinded at the last moment, the first test of this labor weapon would have been held in Argentina. In 1909 the May Day demonstrations led to the killing of twelve and the wounding of a hundred at Buenos Aires. All summer the city seethed with unrest. On November 14 the prefect of police and his secretary were killed by a bomb thrown into their carriage. The Government declared a state of siege throughout the republic, which enabled them to arrest summarily and deport without trial all the anarchist leaders on their lists of suspects. It was a drastic clean-up, and hundreds of protesting labor agitators were carried back to Italy, Spain, and Russia.

During the last year of the war railway strikes were serious. They led to the declaration of sympathetic strikes, which necessitated federal intervention in several provinces and culminated in riots in Buenos Aires in December. These grew beyond the power of the police to put down. On January 9, 1919, the labor element seized control of the city and proclaimed the establishment of a Bolshevist régime. The next day the only newspaper to appear was the Socialist organ, and thefts and murders occurred all over the city. It was the most critical situation that has ever occurred in an American city. Strikes spread to every town in the republic. The president, realizing that the over-

throw of the Government and with it the existing social order was imminent, resorted to the same ruthlessness that was being used in Berlin and other German cities. He appointed a military governor of Buenos Aires, with absolute power. The army appeared in the streets and opened fire on the mobs. At one place alone, in front of the general post-office, it was necessary to shoot down a thousand before the revolutionaries realized that they could not hope to resist the regular army, having failed to win it over. The casualties were even worse when they entered the Russian quarter. The anarchists who were not killed were interned on warships anchored in the harbor. The mercilessness of the suppression equaled for a short time what the Versailles troops did when they entered Paris to put down the Commune of 1871.

It may be that the incipient social revolution of 1919, with its disorders and heavy loss of life, might have been averted had employers of labor been more tractable and the Government less nervous. But we must remember that this was the epoch of world-wide panic over bolshevism. There is no doubt that the internationalists of Moscow regarded Argentina as a key country in their effort to introduce "the principles of the revolution" into the Western Hemisphere. As we have seen, Buenos Aires already had experience with Russian anarchists before the World War. The international character of labor agitation and the international complications that might arise from its success were once more shown in 1921, when May Day precipitated new labor troubles throughout Argentina. Bombs were placed under railway bridges, and sabotage became common in the transport and shipping industries. The rapid growth of shipping had

brought to the longshoremen's union the worst elements of the newer immigration. They introduced and spread the ideas—and methods of expressing them—that they had learned at Genoa, Marseilles, Barcelona, Havre, Southampton, London, Hamburg, and Bremen.

The strike in the port became so general and bitter that ships, unable to discharge their cargoes or take on those for which they had contracted, were tied up for weeks. The International Association of Shipowners threatened to withdraw steamer service from Buenos Aires, and some lines actually began making Montevideo their last stop. Order was restored by the volunteer efforts of the Liga Patriotica (Fascism in the embryo). In 1924 the Federación Obrera Maritima attempted to paralyze shipping trade by calling out port workers. Coastal and river services had to be suspended. But at Buenos Aires there was enough unemployment to break the strike by scab labor under military protection, thus preventing a recurrence of the paralysis of international trade.

Protests against the trial for murder of Sacco and Vanzetti were more vociferous and frequent in Buenos Aires than in almost any city of Europe. On several occasions during the years these two men were in prison in Massachusetts the American Ambassador to Argentina was the object of demonstrations and threats. After the execution, in 1927, the situation for several days was more serious than in Paris or Berlin. But the police were vigilant. The Communists waited until Christmas Eve, when bombs were exploded shortly before the close of banking hours in the two American banks in Buenos Aires. Little damage was done to the handsome buildings of the First National Bank of Boston and the National City Bank of New

York, but twenty persons were injured, including some American tourists.

In May, 1928, Buenos Aires experienced bomb outrages of another character, which revealed, as has sometimes been the case in the United States, the presence of a large unassimilated alien element fighting out the battles of the old home in a new land. Three bomb attacks of anti-Fascisti against Fascisti resulted in a serious loss of life and property. In one of these the building housing the Italian consulate was wrecked, causing the death of nine persons, including one of the consular officials. The police seized munitions in raids upon headquarters of so-called anarchists; and they arrested four hundred suspects. Notwithstanding the prompt way in which the Argentine authorities acted, the Italian press spoke very critically of Argentina. The brother of Premier Mussolini wrote an editorial in the "Popolo d'Italia," threatening a blacklist on the part of Italy of governments "harboring anti-Fascisti." Many Italian newspapers believed that Argentina should long before have repressed any protests against the existing Italian Government. This attack was bitterly resented by the Argentine press. "La Nación" remarked that "if anti-Fascisti are allowed to live in Argentina, so are Fascisti; and in Argentine eyes one is as worthy of respect as the other." Mussolini's attitude toward Argentina was contrasted unfavorably with that of the United States at the time of the bombing of American banks a few months earlier.

One reason for the failure of labor to develop the pampas, put forward on every occasion by the radicals and Socialists, has a great deal of truth in it. The land is held in enormous estates by rich *estancieros*. These

large land-owners still control both the federal and provincial assemblies. They were the backbone of the protracted resistance of the provinces to the Buenos Aires movement for a united nation. They did not allow President Sarmiento to introduce the American homestead plan, and defeated later proposals of agrarian legislation. Fearing the imposition of heavy taxes, they encouraged the Government to build railroads by granting concessions to foreigners, and opposed the construction of arterial national highways and provincial roads by assessments against the land. In large measure, the slow growth of communications and small holdings are due to the *estancieros*. They have preferred to let out their land to peasants from Italy on limited leases, and in this way they have retarded colonization and contributed to the overcrowding of the cities.

Despite the short-sighted selfishness of the *estancieros,* however, successive presidents of Argentina have accomplished great things in the penetration of the vast hinterland. Argentina has been fortunate in a succession of able men in the presidential chair, who lived up to the splendid example set by Mitre. Sarmiento made the most of his opportunities. Possessing virtually unlimited power, he beat the devil around the bush by using funds voted for telegraphs to construct bridges and roads. Challenged for illegality, he answered, "I am building a bridge that will tame the ocean and a road that will traverse the trackless deserts." President Quintana, who died in 1906, inherited the vision and initiative of Sarmiento. He had to lean heavily on foreign capital, and pay dearly, but the results justified his going ahead. As in the United States, the economic future was dependent upon exten-

sive railroad development. We cannot more than mention the successors of Quintana by name, but each of them has had his creditable part in the progress of communications: Peña, Irigoyen, and Alvear.

Before the World War, Argentina was connected with Chile and the Pacific coast by the first transandean railroad. There are direct lines now to the capitals of Paraguay and Bolivia. Two additional transandean railroads have passed the paper stage, and will contribute to bring Chile and Argentina closer together. Argentina now has nearly 25,000 miles of railroads, and stands ninth among the countries of the world. Every province and territory except Los Andes and Tierra del Fuego is bound by steel with Buenos Aires. One third of the mileage is owned by the state, and one half of the telegraph wires as well.

More than half of Argentina's railroad mileage has been put into operation since the beginning of the present century. During the same period her exports have increased more than sixfold. This comparison demonstrates the soundness of the policy of sending the railhead before the colonist in a new country. Provided the land is naturally rich, as it is in most parts of the country, and either watered or susceptible to irrigation, the return cannot fail to justify the outlay. But the rapid development of motor transports throughout the world has brought Argentina face to face with a crisis in the further extension of communications. Due to the determination of the *estancieros* to avoid taxation, as we have explained above, Argentina is lamentably deficient in roads. A great crusade for better roads was begun in 1923 by Señor Le Berton, minister of agriculture, in which he has had the full support of President Alvear. Just before

assuming office, President Alvear made an extensive trip in Europe and was impressed with the motor roads that were contributing so much to the prosperity of every country he visited. Argentina is now in the midst of a strenuous campaign for better roads such as the United States experienced twenty years ago.

In extending her communications, equipping her ports to take care of ever-increasing demands, in dredging her rivers, and in building refrigerating plants and developing her industries, Argentina has had recourse to the money markets of Europe, the United States, and Canada. The surplus capital of her own nationals has never been great. Therefore, although her federal and provincial foreign debts are small in comparison with those of Brazil, and are less than those of Chile, the amount of interest Argentina must pay abroad annually is staggering. Meeting these charges is possible only because of the magnitude of the export trade.

To preserve a favorable balance, Argentina has shaped her commercial policy to offer to her creditors what they need. In the old days the stock-rearing industry produced only dried and salted beef, which had no market outside of Latin America. Refrigerating made possible beef and mutton exports, of which Argentina sends abroad five times as much as the United States and four times as much as Australia. The European demand for wool and hides furnishes an indispensable complementary export trade for the cattle industry. Cereals, too, have found a market in Europe. The wheat crop is now a factor of sufficient importance in world markets to influence the price in the United States. The export of corn doubled in

1927. Next in importance in world markets is flax. No other country in the world devotes so great an area to the growth of this plant. The United States gets most of its linseed from Argentina, which contributes more than half of all the supplies available in international trade. Another factor in the export trade is tannin, from the quebracho forests in the Gran Chaco.

On the other hand, to cut down imports Argentina has recently developed extensive oil-fields, and she tries to supply her own sugar markets. In the manufacturing industries, which have received government support, there is now invested the sum of nearly $1,000,000,000, giving work to half a million people. The post-bellum prosperity of Argentina, in the face of labor troubles through a too rapidly increasing urban population and a too oligarchical hold upon the vast agricultural areas, is due primarily, of course, to her natural wealth. Here are to be found possibilities for producing what the world needs that are as yet only partially developed. To such a country immigrants and capital are bound to flow. It is estimated that by 1930 Argentina will have nearly 13,000,000 inhabitants, of whom one fifth will be in Buenos Aires. This is only half the population of Brazil, the largest of South American republics. But it is a population of whites, a large part of whom are of recent European origin.

The actual and potential wealth of the country attracts foreign capital. There was a large floating debt in 1925, which fell due through short-term loans at frequent intervals. Coping with this floating debt was difficult, owing to the fluctuation of the peso and the dependence upon favorable world markets. But the Argentine Government has been wise and courageous in its financial policy. The federal and state authorities

are conservative in their financing, and make strenuous efforts to meet every obligation and to refrain from unjustified capital expenditures. For this reason the large loans in the New York market were readily absorbed in 1926, and Argentina was able to borrow gold from us in 1927 in larger amount than any other foreign nation. In the first four months of 1928 Argentina increased her gold holdings by $86,000,000. This gave her a little more gold than Germany, twice as much as Italy, three times as much as Canada, and nearly five times as much as Brazil. In the New World the gold reserve of Argentina is surpassed only by that of the United States, and in the Old World by those of England, Spain, and France. For her population Argentina is unrivaled in the tangible assets of wealth. There is no other nation of her size without colonies which has a budget of estimated revenue and expenditure of nearly $700,000,000, as she had last year.

But we must go back of the natural wealth of Argentina and the sound financial administration of to-day to the fundamental causes of this new country's ability to attract men and money. Natural wealth and an ever-increasing demand for what Argentina produces would not in themselves be sufficient. Immigrants and bankers have found political stability, internal and international. They have been encouraged by the gradual adoption of laws which do not discriminate against any class in the community, and by the progress in educational facilities. The conduct of Argentine foreign policy has had the approval of the people and of foreign investors, who are not worrying about Argentine statesmen planting the seeds of war.

Argentina has a long way to go before she can offer to new-comers the same degree of cultural well-being

that they enjoyed in Europe, and a good chance for the man with little or no capital. But there is less illiteracy than in any other South American country, and educational opportunities are increasing. What makes Argentina stand out as a country of great promise for immigrants, now that entry into the United States has become so difficult, is the radical improvement of internal political conditions and the harmonious relations with her neighbors and with North America and Europe.

As we have seen, Argentina has enjoyed a constitutional régime since the eighteen sixties. But until comparatively recently, like all Latin-American republics, a very few men actually ruled the country. The democratic form of government was a farce. There existed a system of restricted suffrage and electoral intimidation and corruption similar to that of some European countries. But when Argentina became a truly great nation, important internationally and making a constant bid for new citizens and additional capital from abroad, President Sáenz Peña had the courage to inaugurate universal manhood suffrage and to hold elections without governmental interference. By doing this he signed the death-warrant of the Conservative party and legislated himself and his followers out of office. But he prevented the riots in Buenos Aires from becoming a nation-wide revolution, which might have had disastrous results. And more important still, he won for his country the confidence of foreign financial interests. Argentina became the only country in South America with universal suffrage and fair elections.[1]

[1] I am aware that some of my North American readers who know Argentina well will smile at this statement. In all Latin countries the government in power has what we would call an

The increase of the suffrage brought Irigoyen to the presidency at a critical moment in world history. He was not a great administrator. But he continued the work of electoral reform of his predecessor by introducing the secret ballot; and he proved himself a statesman of the highest order in the most critical period of Argentine history since Mitre's day.

We remember that the provinces of Rio de la Plata sent an army across the Andes under San Martin to help free Chile. But they had been united only in the common determination to shake off the yoke of Spain. During the formative years Buenos Aires and the provinces were frequently engaged in civil war. The conflicts with Brazil, Uruguay, and Bolivia during this period can hardly be called wars with other republics. For the outsiders were invited in to aid one faction against another. There was really no Argentina as yet. The only war that Argentina has ever waged against another state was the struggle from 1865 to 1870 over boundaries with Paraguay. In this war Brazil and Uruguay were her allies. Other boundary disputes, with Uruguay, Brazil, and Chile, were settled by arbitration.

A glance at the map shows that Montevideo, capital of Uruguay, is more advantageously located, from the viewpoint of navigation, than Buenos Aires. But the latter has become the greatest port of South America, although the main outlet for its commerce is an artificial channel over one hundred miles long. In 1828, when there was neither a united Argentina nor a definitely established Uruguay, there had been an agree-

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undue influence and an astonishing way of exerting it at election time. But we feel that the progress in Argentina, in contrast to other South American countries, warrants this statement.

ment as to territorial waters. Now Uruguay claims the median line of the estuary, which would give her control of the channel cut and maintained by Argentina, with its lights and buoys. Problems of international law are involved. What are the proper present-day limits of territorial waters? Is three miles still practicable? In regard to La Plata, Great Britain has always held that it is an arm of the ocean, and that for a long distance inland, therefore, outside the three-mile limit its waters are international. Neither Argentina nor Uruguay admits the validity of this contention. But Argentina declares that necessities of her commerce make impossible acceptance of the alternative, which would seem to be the median line. As La Plata receives the waters of rivers whose source is in Brazil and Bolivia, and is Paraguay's sole outlet, these countries too are interested in this thorny but important question. In theory, Argentina may have no right of sovereignty over La Plata channel; in practice, her need and use of the channel—and her strength in comparison with Uruguay and Paraguay—assure her title.

Argentina settled her frontier with Brazil, after much negotiation, by referring the question to President Cleveland. He awarded the territory in dispute to Brazil because the population was Portuguese-speaking.

The boundary dispute with Chile was of a more serious character. When the two republics were formed the main range of the Andes was accepted as the boundary. It had never been surveyed, and knowledge of the crests of the cordillera along thousands of miles was of the vaguest. It was not until Argentina sent armies against the Indians and began the extension of administrative control over Patagonia that there was

any question about the unsurveyed portions of the indeterminate frontier. The treaty of 1881 defined the boundary in Patagonia as "the crest and watershed." Later it was found that the crest was east of the watershed. But this was only one of a number of disputed points. Just as Peru and Bolivia extended over the Andes, Chile felt that she had all the more right and need, because the sea was near the mountains on the west slope and in the north there was nothing but desert between the mountains and the Pacific. Chile sought cultivable territory, and while the Argentines were fighting among themselves and deciding whether or not they would become a united nation, Chilean settlements had already been made on the east slopes of the Andes. In Patagonia the Chileans had come down into the lower valleys.

There had been frontier conflicts and local adjudications for more than fifteen years when the two countries made a mutual agreement in 1898 to submit the question to the British Government for arbitration. The next year Argentina and Chile presented evidence in preliminary form before a British commission. In 1901 the Argentine case was in complete and final form, but Chile was dilatory. In the meantime, the Argentines thought that the Chileans were making roads in the debatable region in the southern Andes with the deliberate purpose of prejudicing the question. The situation was strained throughout 1900 and 1901. War might have come had not bishops intervened, preaching in both countries peace and reconciliation. At first they were listened to only by priests and women. In the end the influence of this campaign was felt throughout the two countries.

On December 25, 1901, a protocol was signed in

which both governments pledged themselves to maintain the situation as it existed in 1898, withdrawing their police forces from the disputed territory and constructing roads only as joint enterprises. In 1902 the commission, after several months on the ground, made its reports and recommendations to King Edward. He announced an award that seemed to please both countries. Chile got most of the disputed territory, but Argentina retained the land that she wanted—the high table-lands for pasture.

As a result of this compromise, a wave of good feeling swept over the two countries which was, according to Professor Gilbert Murray, "without precedent since the days of ancient Greece." Argentina and Chile signed a treaty accepting compulsory arbitration and the limitation of armaments for five years. It was the first treaty of the kind ever concluded between two countries. There were love feasts and visits of delegations back and forth; and a culmination of the amazing change of feeling from war to peace in the inauguration of the frontier statue, known as the "Christ of the Andes." The Argentine Government had removed the frontier cannon and stored them in the arsenal of Buenos Aires. From this metal was cast the great statue. From the railhead it was pulled up by mules, and in the last ascent, where the mules could get no foothold, thousands of Chilean and Argentine soldiers and sailors lifted it to the crest with ropes.

Another dispute arose with Chile over the Straits of Magellan in 1916. Chile, which owned virtually all of the littoral on both sides, took advantage of the preoccupation of the European powers and the United States in the World War to proclaim jurisdiction over the Straits and the canal through the islets. Argentina

promptly remonstrated. It was agreed once more to ask the British king to be the arbiter.

The attitude of Argentina toward the World War and the League of Nations—and also toward the Monroe Doctrine—indicates how greatly this Latin-American republic has changed in contemporary times. The changes are similar to those that the United States experienced in the nineteenth century. All that we have written about Argentina tends to demonstrate how she is developing a nationalism strikingly like our own. The great influx of European elements, the achievement of economic independence, the unifying of the country by improved means of communication, the introduction of universal suffrage, the spread of educational facilities—all these factors are working, as they had long been working in the United States, to make Argentina a white man's country in the New World. A middle class has come into being, which realizes that Argentina is potentially a strong nation, and which is conscious of its Argentinism. The Argentines see no reason why they should be in the tow of any European country or of the United States. Every year since the beginning of the twentieth century they have been testing their own foundations, and they have been finding themselves more and more able to stand on their own feet.[2]

[2] The increasing population of Argentina, accompanied by a development of economic independence just as the United States developed decade after decade for the same reason, has brought out Argentina as the competitor of other young nations of European stock. This is now recognized by British scholars. In his recent book on immigration, Professor Gregory says: "The commercial competition of the Argentine, with a population of 50 per square mile, would be a far greater danger to Australia, with a population of 3 per square mile, than the naval and military menace from Japan." In 1927 Great Britain raised her Argentine legation to the rank of embassy.

Their first reaction to the World War was the same as that of the people of the United States. Men of the type of the hero of "The Four Horsemen of the Apocalypse" no more represented the average Argentine than the members of the Lafayette Escadrille represented the average American. The Argentines, like ourselves, were matter-of-fact, hard-headed, unemotional concerning the great struggle in Europe. Appeals to join in with "brothers of blood" in the defense of a "common culture," to avenge the wrongs of Belgium, to defeat the Prussian scheme of world domination, fell on deaf ears, just as it did in the United States. Their statesmen asked themselves, as ours did, "What is the best policy to follow, having in mind our own national interests?" They found the same answer that President Wilson did—neutrality.

Later we entered the war and called upon the South American republics to follow our example. Argentina saw no reason for doing so. Germany's submarine warfare did not affect her shipping and did not challenge her pride. She had not made a huge investment in Entente countries, and there were no factories working overtime to fill Entente contracts. On the other hand, if she had gone to war she could not have financed her part in it out of her own capital, nor could she have supplied her army and navy with munitions and ships. She would have been like the European countries, knocking at Uncle Sam's door. Not sympathy with Germany but hard common sense dictated the policy of the Argentine Government throughout the World War, and secured for the Government the approval of the Argentine people. Of course, there was an interventionist element, backed by university circles, foreign interests, and a great newspaper. But

when the United States broke off diplomatic relations with Germany, President Irigoyen proposed to the other Latin-American republics to make a joint offer to mediate between the United States and Germany. Mexico alone gave whole-hearted support to the proposition.

Hipólito Irigoyen weathered the storm of jingoism that swept the country in 1917 when the correspondence of Count Luxburg, German minister to the Argentine Republic, carried in the Swedish diplomatic pouch, was intercepted and published. With the usual tactlessness of German diplomats, Luxburg in one despatch called the Argentine minister of foreign affairs "a notorious ass," and in another he urged his Government either to spare Argentine shipping or at least to sink steamers *spurlos*. Sink steamers "without trace"! Entente circles saw their chance to force Irigoyen's hand. Mobs destroyed the German Club and committed other acts of violence in a wild demonstration in the streets of Buenos Aires. The Senate passed the resolution for war by twenty-three to one, and it was approved by the Chamber fifty-three to eighteen. But Irigoyen did not budge. Despite the mobs and the charge of pro-Germanism, he asserted that Argentina would remain neutral, and that Berlin's disavowal of the overzealous envoy, to whom his passports had been given, was entirely satisfactory.

There is none in Argentina to-day who is not glad that the country remained neutral eleven years ago. The wise statesman has received the reward of his courage and foresight by being reëlected in 1928, at the age of seventy-five. This tribute is striking proof not only of the feeling that he was right about the World War but of the appreciation of the Argentine

people for Irigoyen's great political and social reforms. A rich man, he has been a lifelong friend to the poor. He gives his presidential salary to charity. He lives unostentatiously. Like a twentieth-century Jefferson, he rode to his first inauguration in a trolley-car. Many years ago he defended at the bar arrested labor leaders. But as president, Irigoyen did not hesitate to shoot down hundreds of strikers in the stevedore labor conflict of 1921. His labor sympathies have never gone to the extent of condoning defiance of the Government at a moment when public order was jeopardized.

It is expected that the new president of Argentina will continue the work begun during his first term, when he began a sorely needed policy of agrarian reforms. The effort to break up serfdom and to get the land into small holdings has only been started. The large *hacienderos* still own 80 per cent. of the cultivable land of Argentina.

Argentina was among the fifteen Latin-American states that joined the League of Nations, but at the first assembly in 1920 Señor Pueyrredon moved the admission of all states to the League, including Germany, and the Argentine delegation contended that the League should amend its charter to include compulsory arbitration, the election of members of the Council by the Assembly, and the right of admission to all sovereign states. When these amendments were rejected, Pueyrredon and his fellow-delegates withdrew. In 1923, the Government said that failure to participate at Geneva did not mean resignation, and after the withdrawal of Brazil and the election of Germany in 1926, Argentina announced her intention to resume her place in the League. Señor Irigoyen, who was reelected president of the republic in the spring of 1928,

has always maintained that the League "is not good enough until it recognizes all nations, great and small, as equally entitled to places on the Council, and accepts compulsory arbitration."

At the fourth session of the Pan-American Conference, held in Buenos Aires in 1910, Argentina, although host to the conference, refused to accept the suggestion of Brazil, seconded by Chile, that the Monroe Doctrine should be considered a Pan-American policy. The Argentine contention was that while this doctrine had been of undoubted benefit to all the countries of the Western Hemisphere during their formative period, it was incompatible with the dignity and contrary to the interests of the American states to admit the right of any one country to dictate a Pan-American policy by a unilateral declaration of purpose.

Pan-American relations are discussed in another place. Here we speak of the Argentine attitude toward the Monroe Doctrine simply to illustrate the independence of Argentine thinking and determination of foreign policy. "Our own interests first" is the Argentine slogan. In adopting it Argentinians only follow the example of all sovereign states that feel themselves strong enough to stand alone.

In a friendly but persistent way Argentine diplomacy has been asserting the great-power attitude for more than thirty years. Buenos Aires says to Washington what London, Paris, Rome, and Berlin say to one another, *Do ut des.* The Argentinians are willing to yield points to us if we yield points to them. Equals in diplomacy are bargainers. Argentina contests the hegemony of the United States throughout the Western Hemisphere, and if she defends others as well as herself from the pretensions of "the Colossus of the

North" it is because she does not want us to have everything our own way. What makes that attitude of more concern to us than the similar attitude of other South American states is that Argentina is no longer a small state, forced to bow to our will.

CHAPTER III

URUGUAY

THE smallest republic of South America is in a peculiarly favorable situation climatically and economically. Uruguay lies wholly below the thirtieth parallel of latitude, and it is the only South American country with no tropical region. The climate is temperate and about the same everywhere, without extremes of heat or cold. The summers are like those of Virginia, and the winters are much milder. Tiny as it is in comparison with its two neighbors, Argentina and Brazil, the absence of high mountains and arid regions and great forests makes virtually the entire surface area wealth-producing. In the north and the northwest are hills; the rest of the country is arable. Uruguay does not suffer from the handicap of dry and rainy seasons. The rainfall is generous enough and evenly distributed throughout the year.

This country, a little larger than New England, is a succession of rolling plains, pierced by hundreds of miles of navigable rivers, into which in turn feed several thousand miles of sizable streams, called arroyos. Nowhere in the world is there a country so excellently watered everywhere.

When we look at the map we realize why the Banda Oriental, as Uruguay was called when it was one of the Spanish provinces of La Plata, became a bone of

contention between Brazil and Argentina during the formative years following the disappearance of Spanish and Portuguese rule in South America. The Brazilians naturally wanted to round out their great empire by making the Rio de la Plata the southern frontier. The Argentines, on the other hand, were bitterly opposed to the penetration of the Portuguese southward along the Uruguay River, across from the vitally important provinces of Corrientes and Entre Rios, to a point within a short distance of Buenos Aires. Brazil in control of the Banda Oriental would have controlled also the estuary of La Plata. Had the provinces that now comprise Argentina been united during the first half-century of their independence, they might have been able to include in their federation the province on the other side of the Uruguay and La Plata, which was predominantly Spanish-speaking and which had had a common past with them. As it was, the menace of the too close proximity of Brazil was avoided. The Banda Oriental became an independent country—a buffer state between Argentines and Brazilians.

The struggle for control of the Banda Oriental goes back to the early days of South American conquest, when both Portuguese and Spanish sent missionaries and soldiers into the country. The Portuguese were the first to make commercial settlements. But Spain realized, in the earliest days, the vital importance of controlling the mouth of La Plata, and her efforts were loyally seconded by the New World settlers, whose interest was even greater in this matter than the mother country's. From the beginning of the development of the Banda Oriental, Buenos Aires opposed the attempts of the Portuguese to intrench themselves at Montevideo, and by 1750 they had succeeded in making the

coast predominantly Spanish. The British took both Buenos Aires and Montevideo in 1806 and 1807. While their expeditions failed to plant the British flag in the estuary of La Plata, the invasion contributed to the destruction of Spanish power.

After Buenos Aires put an end to Spanish rule, her forces had to fight both Portuguese and Argentines of other former Spanish provinces. In 1828 Buenos Aires and Brazil made peace by mutually waiving claims to sovereignty over the Banda Oriental. The republic of Uruguay was created and was recognized by its neighbors and the outside world in 1830.

A country can make just as much trouble for itself if it is small as if it were big—sometimes more. This has been the case of Uruguay, whose history of domestic strife is an amazing one even for Latin America. It lasted for fully eighty years, with civil wars and factional conflicts following one another so continuously that it is hard to keep track of them. For nearly three generations the country was rent asunder by the rivalry of the Colorados and the Blancos, whose members were recruited from families and clans that had detested each other and opposed each other politically and on the field of battle ever since the foundation of the republic. No more than in Nicaragua would it be possible to find sharply drawn political issues so that the two parties could be labeled and understood. They did not have differing political theories; they had only inherited antipathy. The revolutions and civil wars in Uruguay remind one of feuds in the Kentucky highlands.

It would be profitless for us to go into the *coups d'état,* the assassinations, the military revolts, the electoral rows of the Colorados and the Blancos during the

nineteenth century. In 1903 the Colorados and the Blancos were still engaged in a war of mutual extermination. The revolution was of a sanguinary character, and there were profound disturbances throughout the country. The conflict continued into 1904 with unabated force until commerce was paralyzed and the increase in public debt threatened to throw into bankruptcy a country that was beginning to be extraordinarily prosperous. Public opinion, seeing ruin ahead, began to denounce the strife as senseless. Only a small portion of the population had taken part in the inherited political feud. The newer elements, powerful and numerous, made their influence felt. Fighting became unpopular and it ceased. In the general election of 1907, for the first time in Uruguayan history, there were no rebels in arms and everything passed off peacefully. The result was a year of unprecedented prosperity. The last insurrection of the old era got no farther than the rural districts. It occurred before the October election of 1910.

For nearly twenty years Uruguay has enjoyed the freedom from civil strife that was essential to the economic development of the country and a sound financial position internationally. There was political unrest in 1916 over constitutional reforms advocated by President Viera and his predecessor. The president acquiesced in the decision of the people, which was against him. The new Chamber did not support the changes advocated by him. But within a year public opinion was converted to the necessity of a new constitution. Put to popular vote in November, 1917, the Uruguayans adopted the new constitution by an overwhelming majority. It provided for secret ballot, proportional representation, full manhood suffrage (with

an illiteracy disqualification), separation between church and state, a two-chamber parliament, and increased parliamentary control over the executives. This last reform, born of bitter experience, was effected in a curious way. A National Administrative Council was created as a committee of control to be kept in continuous existence between sessions of parliament. It consisted of nine members, six of the majority party and three of the largest minority. Aside from this, the most important clause of the new constitution was that providing for the election of the president by direct vote for a term of four years, and making him ineligible for reëlection for eight years following the expiration of his single term. This, of course, was to make impossible a recurrence of the dictatorship evil, which had done so much to prevent the development of representative institutions in Uruguay during the nineteenth century.

The constitution, with slight amendments, came into force on March 1, 1919. Dr. Brum was the first president elected under the new system, and he had the delicate task of adjusting his position to that of the National Administrative Council. But Dr. Brum proved himself to be eminently successful in administering the internal affairs of the country, and he brought Uruguay to the forefront in international affairs. He was succeeded by Serrato in 1923, and Campisteguy in 1927. Three elections without armed disturbances! The most remarkable revolution Uruguay has ever known has been that of outraged public opinion, which demanded internal peace and decided to enforce it. During the last decade a ban has been put on the traditional political methods of Colorados and Blancos alike.

Although this radical reform in internal political administration did not come as early as it did in Argentina, the reasons for it were the same. When Uruguay became of great importance in international trade, foreign capital already invested in the country was insufficient to enable it to meet the demands of the world for what it could supply. Increased investments from abroad, by which means alone the country could progress, necessitated international political stability and new social conditions. The Uruguayans who had run the country, electing or opposing election of one another, were few in number. They belonged to the old families whose wealth was in the land. Their ancestors had conquered the Indians and drafted them as laborers until they died out or fled to Brazil. As long as Uruguay was a country of cattle-raisers, whose markets were circumscribed and whose methods were primitive, feudal lords and their retainers ruled and terrorized the country. But gradually the infiltration of immigrants from Europe by the tens of thousands, and the exploitation of the cattle industry on a large scale by European and American firms, brought about a new state of affairs. In the end the political activities of the Uruguayans of the old school had to be outlawed. Then, when the right to vote was the reward of the man who learned to read, popular education assumed new importance. Beginning with the presidency of Dr. Brum, Uruguay has enacted much progressive social legislation. Schools are spreading all over the country, as in Argentina. The University of Montevideo has become one of the leading universities of the two American continents.

What Uruguay has been able to accomplish since 1910 in political and social evolution is due to the rap-

idly increasing world importance of her commerce and the character of her population.

Uruguay is for its size the greatest cattle country in the world. And certainly no other country anywhere has so much of its area devoted to pasturage. All but 15 per cent. of the surface of Uruguay is productive; and it could be used in large part for cereals. But only two and a half million acres are devoted to agriculture as against twenty-seven and a half millions to grazing lands. Agricultural products are mostly for home consumption. Animals and animal products constitute 95 per cent. of the country's exports.

The pastoral character of Uruguayan life is marked even in the capital. One is in the country of drovers and herders. There really isn't any other industry that counts for anything. Uruguayans have millions of sheep —many, many millions; and the wool-clip is as vital to the country as the cotton crop is to Texas. There are millions of cattle; and every year animals on the hoof, refrigerated beef, extract of beef, skins, tallow, glue are exported to the value of tens of millions of dollars. Flocks and droves are to be found everywhere in Uruguay. What might be raised from the rich soil, what might lie under the soil, is not a burning question there as it is in other South American countries. The Uruguayans have found prosperity in pastoral activities and they do not care to change. When one looks at the increasing figures of exports, which have more than doubled in twenty years, and the correspondingly more than doubled purchasing capacity of the people, one realizes that live stock pays. Why should it not, when from animals we get not only food but wool and leather?

The advantageous coast-line of Uruguay and the

deep river on its border, the river running through it, and the lake on the Brazilian frontier have made possible transport of animals and animal products by water. Seven hundred miles of navigable rivers is no mean asset for a country to possess. But there are also railroads, which cover the country admirably. Nine tenths of the mileage is owned and operated by British companies. Communications, by water and by rail, being thus available in every province, little Uruguay has not the backward atmosphere which impresses the North American traveler in most South American countries. The country is so admirable, so promising, from an economic point of view that one wonders how the Colorados and the Blancos could have kept it in a political turmoil for nearly three generations.

It isn't that the influx of capital and colonists from Europe came suddenly, following decades of hermit existence. Uruguay has always been accessible to the outside world. As early as 1865 the British firm of Liebig began to make its extract of beef at Fray Bentos, which has now become the world's greatest kitchen. How its caldrons keep bubbling to produce our familiar beef tea! And consommé!

The population of Uruguay is approaching two millions, of whom 25 per cent. live in Montevideo. There is no other city of any size in the country. The next largest cities have respectively twenty-four and twenty-two thousand, and the fourth city of Uruguay numbers sixteen thousand. Almost everybody lives on the land, and the man that can afford to have a city home thinks only of Montevideo.

The remarkable feature of the Uruguayans which distinguishes them sharply from all other Latin-Americans except Argentinians and (to a certain ex-

tent) Chileans is their pure Caucasian blood. Almost all of them are "white men" in our narrow definition of that term. As in the United States, the aboriginal population disappeared before the onward march of white colonists. This was partly due to the fact that every portion of Uruguay was accessible, and that the European settlers went out on the land, large areas being required to feed their cattle. The older Uruguayan stock, called Crillos, are descended from Spanish and other foreign immigrants. But they did not mix their blood with the natives, as has happened in other parts of South America. The Crillos were never numerous, and now that the population of the country has nearly doubled in twenty years, they are in a minority to the later immigrant groups.

Uruguay, like Argentina, has drawn most of its immigration from Italy and Spain. But French, Germans, British, and Swiss are numerous. Except in the north, where there are many Portuguese, Spanish is the language of the people; and one finds neither mestizos nor mulattoes.

No better witness of the character of the population of Uruguay, and its racial solidarity with Europe and the United States, can be cited than the triumph of its soccer team in the Olympic games in 1924 and 1928. The world soccer championship is no mean achievement. At Amsterdam, in August, 1928, Uruguay and Argentina reached the finals, defeating on the way Italy, France, the United States, Germany, Spain, Mexico, Holland, Belgium, Luxemburg, Egypt, Portugal, Turkey, Jugoslavia, and Chile. At the end the neighboring republics faced each other for the world's championship, and it was David who won from Goliath. The achievement of these two Latin-American

republics is a sign of their kinship with the Caucasian race. It is not, however, as the "Mercurio" of Santiago declared, "a victory that is a sign of the coming preponderance of the Latin-American races." It rather marks the difference between Uruguayans and Argentinians, with Chileans perhaps, on the one side, and the more tropical Latin-Americans on the other. Soccer is a game of Occidental and Central Europeans which Americans would do well to take up. It requires qualities that we flatter ourselves are peculiarly our own.

For this reason more than any other the American tourist or business man feels at home in Montevideo, as he does in Buenos Aires and Santiago. The faces into which he looks have nothing unfamiliar or exotic about them. They are mostly Latins, of course, but it is the Latinity of Milan and Madrid, not of South or Central America. Immigration has done this—immigration plus the racial purity of the older Uruguayans. But that is not all. There is a community of pioneering and colonizing experience between ourselves and the Uruguayans. They came to the New World to colonize, as we did; they brought their European traditions with them; climate has not changed their character; what they are and what they have comes from their own efforts. If there is any peculiarity, any special atmosphere, which makes the Uruguayans distinct from other peoples, it is that they have created a country which specializes in one industry, and that their country is too small to afford any variety. We miss contrasts and problems. Therefore, Uruguay seems to us like the region of some country and not a separate nation. In this it differs from Argentina and Chile, especially the former, and even more so from Brazil.

The type of immigration and the brilliant future of

Uruguay's industry have resulted in attracting American money and enterprises. In fifteen years we have increased our holdings there fifteenfold. Only $5,000,000 of American money was invested in Uruguay in 1912. In 1927 we had $77,000,000 in packing plants, telegraphs, telephones, cables, power plants, sewer systems, and national and municipal bonds. Before 1912 we did not have the capital to invest anywhere abroad that the British disposed of, and we were frightened over political conditions. Our bankers had Uruguay classified with other Latin-American republics as a country of constant and violent changes in government.

Uruguay has always been too small to play much of a rôle in international affairs, and limited her diplomatic activities to the effort to keep independent of Brazil and Argentina. The internal political regeneration was only a few years old when the World War broke out. There was no question of abandoning neutrality until the United States entered the war. Then the president and cabinet ministers decided that it was not necessary to enter into active hostilities with Germany. But they signed a formal declaration on June 18, 1917, to the effect that, having regard for the principle of Pan-American solidarity, the Uruguayan Government had decided to state that "no American country which, in defense of its own rights, is in a state of war with nations of other continents shall be treated as a belligerent." In October of the same year diplomatic relations were broken off with Germany.

Since the World War, Uruguay has participated in the League, regarding it as a wise policy for a small state surrounded by powerful neighbors. But the real feeling of the Uruguayans was well expressed by Dr.

Brum, who said at the University of Montevideo on April 21, 1920, that the Western Hemisphere ought to have an American league. This league, he felt, should be established on the basis of absolute equality to provide means of common action against aggression on the part of non-American nations and to maintain machinery for the arbitration of inter-American disputes. He added that such an organization should be purely continental in its scope, and need not be set up as a rival or enemy of the Geneva League. Uruguay was given the presidency of the eighth assembly of the League, and in 1928 a former minister of foreign affairs, Juan Buero, was appointed to the newly created position of juridical adviser to the League of Nations.

But neither public opinion in Uruguay nor her statesmen have felt that the new world organization at Geneva and the arbitration agitation within the Pan American Union are sure guarantees of peace. The failure of the Santiago Conference in 1922 to agree upon a reduction of armaments caused uneasiness. Small though their country is, and unable to muster an army of any size or to afford the luxury of a big military budget, the Uruguayans have accepted the thesis of larger countries, that a nation can protect its territorial integrity and its sovereignty only by arming. In 1923 press and parliament joined in calling for a strong army and navy. Frontiers and neutrality could be respected, it was felt, only by having in her possession and knowing how to use "those implements of war which to-day are indispensable for the maintenance of a firm international policy," as an interpolation in parliament put it. So Uruguay has been arming as best she could. Should Argentina and Brazil ever come to blows, the buffer state intends to look after itself, and

cites the example of Switzerland in the World War.

One recent move in Uruguay bids fair to have widespread repercussion internationally. For a long time certain European countries, notably Italy, have asserted the right of their emigrants to retain former nationality, even after they had become citizens of another country. It is the old idea that inspired the Delbrück law in Germany, which went into effect in 1914. Imperial Germany maintained that German nationality could not be lost by foreign residence or by transference of allegiance to another state: once a German, always a German. Fascist Italy is reviving this theory. It seems to have been accepted by Uruguay, whose new law of nationality, adopted on February 3, 1928, provides that a foreigner may become naturalized and still retain allegiance to his native land. President Campisteguy is an international lawyer of distinction. He seems to have been won over to the theory of double nationality. Uruguay must have her reasons, of course, for having taken this step. But it is interesting to note that in the last statistics of immigrants landing in Montevideo, while Spanish and Italians each numbered a little over ten thousand, Germans under four thousand, and French and English under three thousand, there were nearly six thousand Brazilians and over fifty thousand Argentinians.

CHAPTER IV

PARAGUAY

WE knew a man once who aspired to one of the most influential positions a President can bestow, and he went to Washington with the expectation of getting it. When it was intimated to him that the post of minister to Paraguay was the only appointment available, he recovered from the shock for a moment; he had heard of Montevideo with its brilliant European life, its opera, and its sea-bathing. But like most Americans he had confused Paraguay with Uruguay. The awakening was rude: no place a thousand miles inland in tropical South America for him! We doubted if he contributed to party funds at the next Presidential election.

Now our friend need not have been so peeved. Of course, Paraguay is not Uruguay. It is long days up a river, and its population is largely Indian. There is no opera or sea-bathing. But Paraguay lies only one third in the tropical zone, and its climate, though hot, is healthful. Asuncion is one of the oldest Spanish towns in America, and the country of which it is the capital is full of interest and has great promise of future development. Several hundred German immigrants have been entering the country annually in recent years, and other Europeans are finding their way to the upper reaches of the Paraná River.

If the extreme claims of Peru in regard to disputed territory with Ecuador, and of Bolivia in regard to Paraguay, were accepted, both of these countries would be slightly smaller than Uruguay in area, as they are both smaller in population. But while Uruguay's boundaries are definitely settled, those of the other two republics are not, and compromises are likely to be arrived at. Neither can be compared with Uruguay, however, in potential colonizing area. Climate, forests, and mountains combine to make them inhospitable to extensive European settlement.

Paraguay proper, which is scarcely more than half the territory claimed, lies between the rivers Paraguay and Alto Paraná. Occidental Paraguay, between the rivers Paraguay and Pilcomayo, is a portion of the Gran Chaco, which we said earlier was shared by Argentina, Paraguay, and Bolivia. The Paraguayan portion of the Gran Chaco, like most of the Bolivian portion, is tropical forest land, mostly unexplored. That the present anomalous situation as to sovereignty exists is due to the inability to extend administrative control over this disputed region. It is sparsely inhabited by roaming savages, of a different race from the Guaraní Indians, who form the predominant element in Paraguay. The political and economic life of the country centers at Asuncion, a Spanish city nearly four centuries old, at the junction of the Pilcomayo and Paraguay rivers, a thousand miles up stream from the Atlantic. Oriental Paraguay has less than a million inhabitants, of whom one tenth are in Asuncion. The Indians have mixed their blood with Spanish and negroes. The purely European element is small.

Sebastian Cabot, searching for the Indies, reached Paraguay in the third decade of the sixteenth century,

and the first Spanish settlement was made at Asuncion ten years later. After the navigators came the gold-seekers, and no effort was made to colonize this accessible interior region of the continent, where mountains, jungles, and deadly heat did not bar the way. In the seventeenth century the province of Paraguay, which embraced all the territory east of the Andes and south of Brazil, was divided, and a separate government was established at Buenos Aires in 1617.

One reason for the century and a half of stagnation that followed was the fact that both Asuncion and Buenos Aires depended upon Lima, far across the mountains. Another and more important reason was the absence of natural wealth in this part of South America of a kind that could be marketed in Europe. In 1776 Buenos Aires became a viceroyalty, with jurisdiction over Paraguay. Forty years later, when the provinces of La Plata revolted from Spain, the Paraguayans refused to accept membership in the republic in which Buenos Aires asserted its predominant place. They could not be coerced, because, as we have seen, the other provinces of La Plata were also opposed to a federal government, and the most powerful rivals of Buenos Aires, Corrientes and Entre Rios, lay between Paraguay and the mouth of La Plata.

For half a century after the disappearance of Spanish power the destinies of Paraguay were in the hands of two picturesque dictators. From 1815 until his death in 1840 the authority of Dr. José Francia was undisputed. He was succeeded by a brilliant and headstrong autocrat who did not have to bother with his neighbors. The Gran Chaco separated Paraguay from Bolivia on the north as completely as if these two countries were in different continents. Brazilian ad-

ministrative authority was still weak in the regions bordering Paraguay. The internal strife in Argentina lasted until the eighteen sixties. Carlos Antonio Lopez built up without interference the military power of his country, and refused to allow foreigners to participate in developing its material resources. He got into difficulties from time to time with the United States, Great Britain, and Brazil. But there was no way that outside pressure could be brought to make him tractable. He sent his son Francisco to Europe in 1853, and imported through him arms and military supplies and river steamers. As Carlos grew older, Francisco developed with ability and energy the fighting strength of the Paraguayan people.

When the elder Lopez died, in 1862, Francisco became dictator, and began to dream of making Paraguay a great nation, holding the balance of power between Argentina and Brazil. In 1864 he summoned Brazil to abstain from interfering in Uruguayan revolutions, and abused his control of the water route to the Brazilian state of Matto Grosso to intercept a Brazilian steamer carrying the governor of that state whom he threw into prison. Then he invaded Matto Grosso and sacked its capital. His next move was to send an army through the Argentine province of Corrientes to intervene in a revolutionary struggle in Uruguay.

Whom the gods destroy they first make mad. Francisco Lopez was not only threatening the integrity of Brazil, which prized highly the southern states, but was affronting the pride of Brazil and her ruler and threatening the Brazilian treasury with the loss of important revenue from a diamond mine. He is supposed to have demanded the hand of the daughter of Dom

Pedro II, imitating Napoleon III's more successful recent insult to the house of Savoy. He seized the diamond mines near Cuyaba. While the Brazilians were preparing to send an army to repel the invader, Lopez called upon President Mitre of Argentina to allow him to send an army across the province of Corrientes to aid one of the factions in the Uruguayan revolution. When Mitre, now firmly established as president of the Argentine Federation, refused, Lopez captured two Argentine war vessels and declared the province of Corrientes annexed to Paraguay. It was a bold bid for supremacy over all the rich region between Paraguay and the mouth of La Plata.

The faction supported by Brazil won the day in Uruguay, and promptly declared war against Paraguay. Argentina followed suit. As we see these countries now, it would seem impossible that Paraguay could ever have defied a coalition of Brazil, Argentina, and Uruguay. But we must remember that Argentina was really a brand new country, that Uruguay was torn by warring parties, and that the distance from the populous and powerful part of Brazil was very great. And Lopez, as we have seen, had been working for years to make of his people a nation of fighters and of his country a fortress. The bitterest and most bloody war in South American history followed. In fact, no war in modern times has proved so disastrous to those who provoked it. It took more than three years for the coalition forces to rout the Paraguayan army, and after the tide of battle had turned, Lopez lasted two years longer. The ferocity of this man at bay is without parallel.

In 1868 the dictator, seeing that defeat was inevitable, had slaughtered by his soldiers the flower of

the Paraguayan nation, members of his own family, government officials high and low, and several members of the diplomatic corps. Then he started north, pillaging and burning everything in his path. He literally destroyed his own people and their homes, and laid Paraguay waste. What escaped him was not overlooked by his pursuers. When he was finally tracked down and killed in April, 1870, out of a population of over 1,300,000, less than 30,000 able-bodied men were left, and these had on their hands less than 200,000 women and children. In the five years Paraguay's wealth and over a million of her inhabitants had disappeared. Brazil, which had done most of the fighting, lost 50,000 men and expended $30,000,000.

Paraguay was completely at the mercy of her conquerors. The country was occupied by a Brazilian army. Brazil claimed an indemnity of $200,000,000, which was beyond Paraguay's power of ever paying. The object of the indemnity was annexation, and the Brazilian troops were not withdrawn for six years. Argentina, on the other hand, immediately espoused the cause of the vanquished nation, and President Mitre stood forth as the merciful conqueror. The discussions following the war were acrimonious. Argentina had no more intention of letting Brazil get control of Paraguay than she had earlier of waiving her rights over the Banda Oriental in favor of Brazil. Uruguay sided with Argentina in insisting upon the maintenance of the integrity and independence of the defeated country.

So Paraguay survived in the midst of her ruins, deprived of most of her men, especially those of Spanish stock, and facing a hopeless future. Internationally, too, her position was bad. She had defaulted on all obligations owed abroad by her citizens, the borrowers

having been swallowed up with their assets, and she had murdered foreign diplomats.

Nearly sixty years have elapsed since the end of the war, and Paraguay has never since been in a position to defy Brazil or Argentina. Her army at the time of this writing consists of only 2,500 men, with 100 officers. Some years ago there was talk of war with Bolivia on the other side of the Gran Chaco; but it was idle talk. The population is not now nearly as large—or so much of a Spanish strain—as it had been in the days of "El Supremo." As the last regiments mustered against the invaders were composed of boys from twelve to fifteen, and they were annihilated, it can be easily seen how long a time was necessary to recover. New leaders arose who contested the presidency, but the revolutions were unimportant until the civil war of 1904, when a new generation took to fighting. This ended in December, and although a formal peace was signed, the traditional Latin-American habit of overthrowing governments by violence continued. Hundreds were killed in the revolution of 1908; there was a minor revolution in 1910; armies took to the field in 1911 and 1912; there was an uprising in Asuncion in 1915; a new revolution broke out in November, 1921, and there was sporadic fighting for nearly two years. Dr. Ayala, who assumed office in August, 1924, for four years established a record by remaining at the head of the Government for the whole term for which he was elected, without having to put down a rebellion.

The tragic history of Paraguay and the preponderance of original Americans in the population may have much to do with the failure to achieve political stability. But there are the added reasons of lack of

European immigration on a large scale and backwardness of economic development. Paraguay exports less than fourteen million dollars' worth of hides, yerba maté, oranges, tobacco, timber, and quebracho extract. It imports just about the same amount of manufactured goods from the outside world. The annual revenue of the country is no larger than the assets of one of the two banks in the small town of Princeton, New Jersey, where the writer lives. It is easy to realize how little Paraguay counts in the world's commerce. The only export of any importance is the yerba maté, which South Americans of the temperate zone drink instead of tea. The country is still in the river stage of transportation, as there are only a little more than five hundred miles of railway. Most of the people who are not gathering gourds for making yerba or felling logs for timber and quebracho extract are engaged in cattle-raising. Stock is numerous, but the tropical lowlands of Paraguay are not so well suited for cattle and sheep as the colder climate of Argentina and Uruguay. Refrigerating plants have been started without great success.

As long as the people can travel only on rivers, Paraguay will remain one of the most backward countries in the world. During the dry season the longest stretch of road for automobiles is scarcely fifty miles. In the wet season, automobiles cannot venture more than a couple of miles into the suburbs of Asuncion. The only public line is the Paraguayan Central, which connects with the Argentine system by ferry at Encarnacion. The other railroads are simply outlets to the Paraguay River from the principal quebracho centers and from a few ranches.

At the beginning of 1928 the inauguration of a

tri-weekly air service between Asuncion and Buenos Aires began to bring more tourists to the least visited interior country of South America. Mails are quicker now, and this will help business with Europe and the United States. Tex Rickard of Madison Square Garden fame is the only American so far who seems to have discovered the charm of a large estate in Paraguay.

Charm there is both in the country and its people. The Paraguayans of old Guaraní stock are the Arabs of America. They love to fight occasionally and they manage to live without much work. Their wants are too few and their land too fertile for them to feel any strong economic urge. The philosophy of *mañana* is practised intelligently. Paraguayans do not even have to ask themselves the question, "Why should we work when there's no work to do?" Their indolence is studied and reasonable; and they have struck a happy medium between the nomadic life of the aboriginal Americans and the treadmill life of Americans of European origin. They wear clothes and live in houses and cultivate gardens and tend to their flocks; but they do it easily. One dreads, for the sake of the Paraguayan, as well as of the occasional tourist, what may happen to this country if Germans and Italians keep pouring in, and if that tri-weekly airplane service does not break down.

UNSETTLED BOUNDARIES AND DISPUTED AREAS

CHAPTER V

BOLIVIA

BOLIVIA knows neither her size nor her population. The third largest country of South America, exceeded only by Brazil and Argentina, lost her outlet to the sea in the War of the Pacific, when Antofagasta was wrested from her by Chile nearly half a century ago. Her western frontier is now in the Andes, the high ranges of which she shares with Chile and Peru. Her northern and eastern boundaries touch Brazil—the longest frontier which Brazil has with any of her neighbors. On the south is Argentina, and on the southeast Bolivia and Paraguay meet at a line as yet undetermined in the Gran Chaco. She is the only South American republic to have as neighbors all of the big three—Brazil, Argentina, and Chile. Like Colombia, her outlet to the Atlantic is through two of the three great river systems of the continent. Two of the three highest peaks of the Andes, each over twenty-one thousand feet, are in Bolivian territory. A vast plateau, over five hundred miles long and more than two miles above sea level, gives her the benefit of a temperate climate, although she lies wholly in the torrid zone.

Two thirds of Bolivia is east of the Andes. This fertile tropical country, still largely virgin forest, like the hinterland of Peru, Ecuador, and Colombia, is in-

credibly well endowed with more than ten thousand miles of navigable streams. Through the Pilcomayo, on the Argentine frontier, and the Paraguay, on the Brazilian frontier, there is an unobstructed outlet to the Paraná; and wide and deep tributaries of the Amazon flow northward from the heart of the country. Indians, some savage (even cannibal) and some more civilized but still primitive in their agricultural methods, inhabit this region. They have never been numbered. The census figures are a guess. In the highlands, forming the frontier with Peru, is the highest body of navigable water in the world, Lake Titicaca, now easily accessible to tourists from the Pacific.

In the mountains rising from the great plateau unrivaled mineral wealth has for centuries defied a needy world to come and get it—tin, silver, gold, copper, lead, bismuth, antimony, and tungsten. Great progress has been made in recent years in the extraction of these minerals. But geography, history, sociology, and political economy all present problems well-nigh insoluble up to now to those who would enrich themselves by aiding Bolivia develop her untold sources of wealth above the timber-line. It is this fact that makes the study of Bolivia so fascinating, and concession-hunting there alluring and baffling. Labor and means of transportation must be found. The outlet is to the ports of Peru and Chile. Oil-fields have been discovered east of the mountains, the yield of which will have to get to world markets through Argentina.

The highlands, where more than three fourths of the population live, and which the railroads from the Pacific have reached, afford excellent grazing land for sheep and llamas, and can be cultivated for millet, barley, and potatoes. Bolivia del Oriente—the tropical

lowlands—has no rail or practicable road connection with the plateau. It is like another country in climate, in products, and in natural political orientation. Here are grown oranges, bananas, cocoa, coffee, sugar-cane, and rice, for which there is virtually no market. The north of eastern Bolivia is heavily forested, and exports quinine and rubber through the Amazon waterways.

Geographers, mining engineers, and agricultural experts are enthusiastic about the potentialities of Bolivia, which they declare is one of the very richest countries in the world, capable of playing a rôle of prime importance in international markets and of supporting a population of over thirty millions. But there are few people and no roads; and how to get a working population and a system of transportation the extollers of Bolivia's natural wealth do not tell us. So it is that Bolivia is inhabited by a scant three millions, at least half of whom are pure Indians and a quarter mestizos (locally known as *cholos*). The handful of white descendants of the Spanish conquerors and later immigrants of colonial days never attempted to develop the tropical wealth of the country. They stayed on the high plateau, within a few miles of the Pacific, and did not cut themselves off from Lima. In a deep canyon near Lake Titicaca they found traces of an ancient civilization, and a site for their metropolis that had been picked out for them thousands of years before, as the settlers of Ecuador found at Quito. La Paz was discovered by the explorers of the sixteenth century. After Bolivia gained her independence it received its present name, and never lost its place as the first city of Bolivia, although the legal capital was established at Sucre, far to the south, near Potosí.

At the time of the war of independence the region

now comprising Bolivia was mostly under the administration of the viceroyalty of La Plata. But after General Bolivar won the battle of Ayacucho, and his veterans were pursuing the fleeing royalists into upper Peru, local elements in the revolutionary forces captured La Paz and went southward after the Spanish, who were retreating by way of Potosí to the coast. They decided to organize an independent country, which they called Bolivia after the great liberator. They chose General Sucre as president, and named the capital (for which they intentionally chose a remote place) for him. The government of Buenos Aires, in the throes of provincial civil war, accepted the *fait accompli.*

The history of independent Bolivia gives reason enough for her failure to become one of the dominant republics of the western world. Sucre lasted only two years. In the hundred years since his expulsion Bolivia has had three constitutions and sixty-nine presidents or dictators! Her present territory is hardly a third of what she claimed—and of what a stable government might have consolidated for her—at the time of the creation of the nation.

The greatest loss was that of the outlet to the sea, which Bolivia was forced to yield to Chile after the disastrous War of the Pacific. The Bolivians never made any attempt to stake out even approximately their boundaries with Brazil, Paraguay, and Argentina. The lines they put on their maps were guesswork, and the country which they claimed as theirs had not even been explored, let alone surveyed and brought under administrative control. In 1911, for instance, the British Boundary Commission had to map the country before they could make an award. They were the first white

men to attempt to go up the Heath River, and in their altruistic work they risked being eaten by cannibals. As we said in writing of Paraguay and the Gran Chaco, the interior of South America, not of Africa, is the last frontier.

The perennial political upsets in Bolivia did not involve other countries or questions of world politics until the politicians began to use for attacking one another the Tacna-Arica question, the granting of foreign concessions, and the floating of foreign loans. The outside world has been involved in Bolivian internal politics only since the election of General Montes in 1913. So we can be silent on ninety years of Bolivian history without withholding from our readers anything that they would be interested in or profit by knowing. To throw light upon the existing situation we do not need to go far back of the revolution of 1920.

General Montes, head of the so-called Liberal party, orientated his country in the direction of friendship with Chile. It was common knowledge that Montes and his friends, failing the settlement of the problem of an outlet to the sea through the cession of Arica, were thinking of forcing an outlet to Ilo, in Peruvian territory, a port half-way between Arica and Mollendo. Montes was accused by the opposition in Bolivia and by the Peruvians of fishing in the troubled waters between Chile and Peru to the detriment of the latter. But the Montes party succeeded in keeping in power and in electing their candidate in 1917. President Guerra continued the opportunist policy of his predecessor. As the Tacna-Arica question was becoming more acute, the attitude of the Bolivian Government, which would have imposed all the sacrifices of a solution upon Peru, almost led to war in the early part of 1920.

On July 12, 1920, Senator Saavedra seized La Paz and declared himself provisional president. The only serious resistance occurred at Sucre, where the Republicans engaged in street fighting with the Liberals. This did not last long. The rest of the country accepted the *fait accompli.* The deposed president took refuge in the American legation, and with his friends soon took the road to exile. The revolution upset negotiations for important foreign concessions and led to an acrimonious difference between Saavedra and the American minister, reminiscent of the Egan incident in Chile.

When the success of the *coup d'état* was established, Provisional President Saavedra notified the foreign diplomats, who had made representations concerning the overthrow of Guerra, that the new Government would maintain "the international policy heretofore followed by the republic. It will faithfully respect all treaties and contracts signed by former governments," he asserted, "because they pledged the faith of the republic. Governments constituted in any form cannot be other than the interpreters of national honor and faith." Saavedra announced, moreover, that Bolivia would not sacrifice Peruvian friendship if that were necessary to gain an outlet to the sea. Bolivia needed the outlet, of course, but the realization of Bolivia's legitimate ambition could not be brought about by playing off one neighbor against another, but only through amicable agreement with both Chile and Peru. He reproached the Liberals with having forgotten the legal basis of Peru's claims to Arica, and pointed out that for the cession of Arica the consent of Chile was not sufficient.

The new dictator had his position regularized by the

formality of the general election. He showed himself anxious to win the support of public opinion and the approval of other nations. Like most dictators whose accession to office has been illegally secured, his cry was for governmental reforms and for the development of the sources of prosperity of the nation. Of his financial policies, which made a drastic change in Bolivia's international position, we shall speak later. Saavedra had suppressed an uprising in 1924, and kept his hand on the country firmly enough to get his candidate chosen in the presidential election of 1925. But shortly after the election the Liberals rebelled and turned the tables on the dictator.

President-elect Villanueva and Saavedra, together with their friends, took the same road to exile that they had shown to Guerra five years earlier. The revolutionaries convoked the Congress and had the election of Villanueva annulled, on the ground that it had been won by intimidation and illegal abuse of power. At the new election a candidate agreeable to them was chosen. Dr. Hernando Siles assumed office on January 10, 1926. His Government accepted with alacrity the solution proposed by Secretary Kellogg that Tacna and Arica be ceded by Chile and Peru jointly to Bolivia, with the provision that Arica be maintained as a free port. But only *Barkis* was willin'! Chile, Peru, and the international bankers who would have had to advance the money for the purchase were silent.

A new revolutionary plot was discovered in July, 1927, in connection with the Indian uprising. Taking a leaf from the book of Ibáñez in Chile, who had received his inspiration from Mussolini, the Bolivian Government in power discovered that the efforts of its opponents to follow the century-old precedent of winning

back its place by force was due to the intrigues of Moscow. The ins dubbed the outs "Communists." They jailed some and exiled others. The nervousness, due to a sense of lack of security, of the existing Government was illustrated later by their handling of the student strike in La Paz. Because their teachers had not received their salaries for several months, the students of the higher schools absented themselves from their classes and staged a demonstration in the streets. The police fired on them and wounded a number of the manifestants, chiefly children. This led to a general riot; and the Government declared martial law in La Paz and Sucre. They were afraid that former President Saavedra, who, in his Peruvian exile, was waiting for a chance to return, would suddenly make his appearance. This seems to be the measure of the stability of Bolivian governments.

All this is not so important as it appears to be in the news. For Bolivia since the World War has been a country where concession-hunters and bankers can sing

> Merrily we roll along, roll along, roll along;
> Merrily we roll along,

and not worry greatly over who is sitting in the presidential chair. For since 1922 the country's finances and national bank have been under the control of a Permanent Fiscal Commission, constituted by authority of Article V of a trust contract signed in New York on May 31, 1922, between the republic of Bolivia and the Equitable Trust Company. Two of the three members of the commission are appointed on the recommendation of the bankers, who have also the power to direct the president to remove at any time

either or both of the commissioners recommended by them, and to appoint in their places new nominees of the bankers. The other articles of the agreement give the Permanent Fiscal Commission the authority to collect directly and preserve intact from other conflicting liens or claims the revenues pledged as security for a $33,000,000 gold bond issue at 8 per cent. The commission was to function for twenty-five years and not to relinquish its authority until 1947, when the bonds fell due. As additional security, the Bolivian Government put up the controlling shares in its national bank.

Although American investments are considerably less in Bolivia than in several other South American countries, it is the only nation south of Panama whose sovereignty is limited in any way by American control. This fact calls for a careful and judicial examination of the loan of 1922, with all its implications, on the part of Americans interested in the foreign relations of their country; and we are glad that a monograph has been published on this subject by a competent authority. Mrs. Margaret A. Marsh, in her recent book, "The Bankers in Bolivia," is a trustworthy and informative guide in giving us a picture of the economic and financial situation of Bolivia. She tells us what is confirmed by our reading of Bolivian estimates and criticisms of the loan transaction. The American Government had nothing to do with the negotiation of the loan. The sole responsibility for making it rests on the Bolivian Government. There were several outstanding loans that President Saavedra wanted to refund. Additional credits were sorely needed for railway extension and for public works.

The New York bankers did not take an unfair advantage of Bolivia. Their measures of control of

Bolivian revenues were agreed to without any pressure, diplomatic or economic, having been exercised by Washington. It is regrettable that previous loans were refunded at a higher rate of interest, and that the marketing terms were so stiff. But the bankers, who had to sell the bonds to the public, felt that the loan must be inclusive, because they could not market what would have been second mortgage bonds; and at the time the loan was issued there were so many offerings, more attractive because of their security, that the price and interest rate had to be right from the investor's standpoint. It was a purely private transaction of a foreign government with American citizens, and the terms were not more onerous than those accepted in post-bellum years by several other foreign countries classed with Bolivia as "risky."

The unique features of the loan contract of 1922 were the creation of the Permanent Fiscal Commission with such extensive authority and the offering of so many pledges by the borrowing country. And yet, as Mrs. Marsh points out, the criticism in Bolivia was against the Saavedra Government and not against the financial group that loaned the money. In a country like Bolivia, whose government is in the hands of a small minority and where warring factions always have an even chance to oust each other, the word of the Government, or even the pledging of revenues on paper, could not be expected to protect creditors. There had to be a collecting agency representing the bondholders if there were to be any large loan. The wisdom of the Equitable contract was proved at the time of the revolution of 1925. Far from being a burden or hardship or source of annoyance to the Bolivian people, the Permanent Financial Commission has proved itself an

excellent ally in bringing about financial stability and in preserving, in the midst of internal political disorders and a rather speculative economic outlook, the international credit of Bolivia.

In 1925, thanks to order in her finances, Bolivia was able to borrow 600,000 pounds sterling on the London market; and in the spring of 1928 her 1922 loan was selling at more than par in New York. Of course, no one denies that the debt situation is burdensome and a serious hindrance to the further economic development of the country, and that, if you take the figures of the public debt, Bolivia seems to have almost hopelessly enslaved herself by what she has borrowed during the last decade. In 1913 her external debt was only $15,000,000, held in Paris by the Crédit Mobilier. Because this was not a gold franc loan, the Government was able to take advantage of the tremendous depreciation in the franc to pay off this obligation at a slight figure at the time of the refunding. But despite this, a few years later 80 per cent. of the country's revenues are mortgaged, and nearly 60 per cent. alone are pledged to the American refunding loan of 1922. Half the national income is required for the service of the national debt. The country has reached its capacity for borrowing, and would have a hard time to pay the interest it owes, let alone provide for its internal running expenses, if there were a drop in the price of tin. With the exception of the small loan recently placed in London, all of Bolivia's external debt bonds are held in the United States. The Standard Oil Company has practically a monopoly of the oil-fields. Our investments, negligible twenty years ago, now exceed by forty or fifty million dollars those of any other nation.

The worst feature of Bolivia's indebtedness is its unproductivity. It was incurred for railroads, which have not yet reached regions of the country whose opening up would bring about an abundant and speedy increase in the national income. Other millions have gone into sewers, roads, and pavements in three or four of the cities of the high plateau. And there isn't anything left to hypothecate to complete these communications, so sorely needed, or to buy the port of Arica. Señor Saavedra had hardly agreed to the refunding loan when he felt the force of hostile criticism that could not be met with bayonets. In September, 1922, he cabled the consul-general at New York to secure a modification of the loan terms. Then he appointed a commission "free from political affiliations" to study and report on it. The Bolivian commission, whose verdict was made public in March, 1923, blamed the Government for pledging its shares in the national bank and for refunding at a higher rate of interest.

Saavedra tried to get modifications in the Equitable contract by refusing to sign the permanent bonds until the terms of the loan were changed. It would have been possible, of course, for the powerful banking interests to take up the temporary bonds they had sold, and call the deal off. But Saavedra wanted the money! In the final analysis, it was of his own free will that the loan transaction went through. Bolivia had gained in financial stability and in the maintenance of her credit abroad. But there was no way of getting more money to go ahead with public works and communications. Saavedra was bitterly attacked, and eventually his party was driven out of power, as we have seen. But he was suffering for the sins of a decade of inconsiderate spending and squandering.

It is foolish for American anti-imperialists to cry out that the United States has put Bolivia into bondage, and that the people of that country will have to work indefinitely for us. It is true that Bolivia gets little out of her enormous mineral wealth, and that her people are desperately poor. But is this because of the load they have to bear from foreign debts? Or that American and other concessionnaires are mulcting the country? Or that the United States has put Bolivia into vassalage?

A negative answer can be given without difficulty to all three of these questions. The income of Bolivia is very largely derived from sources of wealth developed by foreign capital. None of this foreign capital is a loan of government to government. Americans have no special privileges in Bolivia, whose concessions are granted, if the bid is high enough, irrespective of the nationality of the bidder. One finds no case of discrimination against European or Chilean business interests because of the intrigues of the American Government or the tendency toward monopoly of American capitalists. Bolivia is only one of many countries to which we are lending money. Our surplus capital is going all over the world, and it might with equal truth be charged that we are "trying to enslave" a dozen or more nations whose requests for loans have been favorably received in Wall Street. We forget that during the first hundred years of our national life we borrowed all the money we could get from European nations, especially Great Britain; that we often borrowed at exorbitant rates of interest and with humiliating conditions. It never occurred to us that the creditors were conspiring against our political liberties or planning to enslave us.

Bolivia's difficulties are not due to the machinations of foreign bankers and the greed of foreign concessionnaires, but to inherent political, economic, and social problems. The problems in these three fields have arisen—or at least have not been solved—largely because of the peculiar geography and ethnography of the country.

Under any circumstances political unity and the development of representative institutions would be a slow and tortuous evolutionary process in a land where only a small minority of the people was of European race, possessing the background of experience in and knowledge of what we call Occidental civilization. That could come only through education of the masses, and their gradual assimilation to the habits of thought and standards of living of the European element. There are less than five hundred schools in Bolivia, most of whose population is Indian or mestizo. As if that were not enough to retard the growth of the nation as a nation, we have seen how the Andes make two distinct countries of Bolivia. In La Paz, Oruro, and Sucre one is nearer to New York than to the vast regions of Bolivia del Oriente. Without railways, without roads, without schools, how can a few hundred thousand whites up two miles on a plateau hope to unify the country? How can they hope to get even the upland population imbued with national ideals?

But they have lived so long under the conditions which faced them when they came, conditions they have been unable to change, that they themselves do not have any such hope. They think in terms of their own faction when it comes to politics, and they fight unrestrainedly among themselves for political control. In their economic and social life they have only one

concern—to keep the Indians down; and one thought —to profit by Indian labor. The serfdom one sees in Bolivia is not that of the Bolivian nation to the bankers of New York but of the Bolivian people to their white overlords. The interference with sovereignty that we see is not that of an outside power stepping in to direct the destinies of Bolivia, but the traditional unconstitutional interference every few years of "the outs" with "the ins" at La Paz and Sucre. The constant revolutions do not seem to affect the people as a whole at all.

The mineral wealth of Bolivia is high up in the mountains, not within a hundred miles of the sea and mostly on the surface as in Chile. It has to be dug out of those mountains and transported at what is often prohibitive cost. Roads and laborers are lacking. Food has to be taken up and the ores brought down. Three out of every four laborers are employed in transportation.

There is the same tremendous handicap in getting up to the plateau the products of the more than two thirds of Bolivia that spreads out westward into the Amazon basin. Everything has to go up to the plateau on the backs of mules or Indians. This adds tremendously to the cost of coca leaves, cane spirits, and other lowland products which the plateau would buy liberally if it could afford to. Oranges, for instance, are plentiful, but by the time they are transported there isn't in the sale even the price for picking them for the ranchero below. It is the same way with lumber. The plateau needs it sorely, and millions of acres of wonderful forests could supply it. But how get it up there where it is needed? It does not pay to cut it.

Bolivia reminds one of Tantalus. Where in the world

can a couple of million people look up to and down to so much wealth, almost within reach, but not attainable? Bolivia is second to the Straits Settlements in the tin she gives to the world. One American company in Bolivia produces more than 11 per cent. of the world's annual output; and American interests are working feverishly to develop this industry. The eastern range of the Bolivian Andes may in the course of time be essential to the world's well-being in the supply it will have to yield of tin and bismuth. We are trying to get at it with cable railways and with motor roads. But the cost? An American company built a sixty-eight-mile motor road, beginning sixteen thousand feet above the sea level, down to the nearest railway station. The construction averaged $50,000 a mile. The Spanish are said to have killed off millions of natives in transporting gold and silver ore, over a period of two hundred and fifty years, from the Bolivian Andes. And yet there are hundreds of miles of rich virgin mines up there still. How to get out the ores? The laborers now are few, and twentieth century humanity in a large measure forbids the continuance of the forced labor that kills.

The social status of the Indians, who form the great mass of the population, has improved little during the century of Bolivian independence. The descendants of the conquerors keep their large estates, with the Indians in peonage. The peons, or *pongos,* of the highlands are slaves. On the estates, or *fincas,* the master disposes of all their time, and has the right of corporal punishment. If he has more hands than he needs on his estate, he rents out servants to people in La Paz and other cities, or sends work-gangs to the mines. The *pongos* belong to the land and go with it. When it is

sold, the deeds of land state the number of families on it—not its acreage. There are some free Indians high up in the mountains, but they are not numerous. Virtually all the Indians work all the time for nothing, and they are generally at starvation point. The white masters are opposed to giving them any education, so they do not know how badly off they are. Generally speaking, they accept resignedly life as it is. Those in control of the Bolivian Government, whatever party is in power, are all interested in keeping the Indians in their place. They allow little or nothing for Indian education in the budget, and they oppose the strenuous effort the Catholic Church has been making of late years to lift the Indians to a higher level through education.

Occasionally there are Indian uprisings. These have rarely occurred in Bolivia del Oriente, where the Indians are not grouped together and where they have no background, however remote, of a different past. While the Indians of the plateau are resigned to their lot when they are *pongos* out on the *fincas,* they change when they get together and are affected by those who have received a smattering of education and who preach to them about their wrongs and the glorious days of the Incas. The *pongos* in the cities become contaminated, and those in the mines or on the larger *fincas* occasionally break out in revolt. Little is ever said or written of Indian uprisings. But they do occur. In some regions they have become chronic, and are beginning to be feared. In 1927 fifty thousand joined in opposition to the present Government. It took a fortnight, with troops, to restore order. As this uprising was on a large enough scale to get into the newspapers, the Bolivian foreign minister bravely stated that it had

been due to the intrigues of the Communist International.

White ascendancy is not seriously threatened, because the Bolivians have always pursued the policy of bringing an Indian socially and politically into their caste when he has shown outstanding ability. Intermarriage is not forbidden, or even frowned upon *per se*. Mestizos are able to aspire to a position of equality with the ruling caste, and in several generations they become nominally white. The only danger for the ruling caste would be if the color line were drawn, if a mestizo or native group of ability and energy thought it could gain the ascendancy by leading the Indians, or if education were allowed to spread to any appreciable extent its deadly poison of dissatisfaction with an intolerable lot.

There is no connection whatever between the Indians of Bolivia and those of Chile; and the Gran Chaco stands between the autochthonous elements of Paraguay and upper Argentina. The Indians of Bolivia del Oriente are not likely ever to arrive at a solidarity of interests with those of the interior of Brazil and the lowlands of the other countries that share the three great river basins. But the Indians in the Andes, who live two miles above the sea in the land of their virile and highly civilized ancestors, are of incredibly hardy stock. Their survival proves that. What has been accomplished in the mining and plateau cultivation of the cordilleras of the Andes from Bolivia through Peru and Ecuador to Colombia is due to their capacity for work. To state frankly and simply an ethnographic fact, their blood has been indispensable to the development and maintenance of the republics of Bolivia, Peru, Ecuador, and Colombia.

The Bolivian uprisings are indicative of the possibility of Indian nationalism becoming a factor in the future of the Pacific highlands of South America in the century ahead of us. All talk of Indian solidarity is, of course, highly conjectural. But in these countries where European immigration, even in these overpopulous times, does not seem to find its way, the civilization and economic development of the future will have to reckon with the Indians and possibly put them, in more than one of the Andean republics, in the way of becoming a dominant factor. The beginning of Indian solidarity is noticeable in some places. Is there any significance in the gift of toys made by the Aymara Indian children of Bolivia, through the Young Woman's Christian Association in 1927, to the Indian children of Oklahoma?

In the early days Bolivia was famous principally for the Cerro de Potosí. Near this hill of silver a great city grew up, and Arica was at one time a port whose land values, especially the wharfage, were greater than those of New Amsterdam. Gold and tin, too, were sent down to the near-by Pacific for export. The tin industry increased in importance as the demand for it became universal. Then came bismuth—also a product that went out of the country through the Pacific. Rubber has long been an export of great importance. The Acre and Beni regions, along the Brazilian frontier, have had a rich yield. Little profit has come to the Government, however, from the rubber crop except through the collection of an export tax. No rubber found its way to world markets over the plateau. Similarly the recently discovered oil-fields, extending from the east of Sucre down over the Argentine frontier, will have to send their product to the Paraguay River,

and surrender the shipping and marketing profit to Buenos Aires. Bolivia can hope to get out of oil only the royalties provided for in the concession. The principal factor in Bolivian oil is the Standard Oil Company, which owns in fee simple and in leases over seven million acres. The larger portion of this was acquired through the purchase of the properties from their Bolivian and Chilean owners, and the rest by taking over existing leases from two American companies and by the securing of concessions directly from the Bolivian Government.

Experience has proved, however, that no country has become and remained rich and prosperous through mining or oil royalties and export taxes or through export taxes levied on natural forest products. The healthy building up of Bolivian national life, and the increase in the labor supply—so essential to expanding industries of every kind—will never come except through improvement on a large scale in communications. We have already spoken of the difficulties in the way of railway and road building, difficulties of geography and difficulties of financing. What has been accomplished, and what is being done now and planned for the immediate future?

The first railway connecting Bolivia with the outside world was built from Oruro to Antofagasta in 1892—a stupendous feat for the time. In 1908 La Paz was connected with Lake Titicaca, and an outlet was provided to the Peruvian port of Mollendo by way of Arequipa. Five years later Chile completed the construction of the direct route from La Paz to Arica, which had been promised in the Bolivian-Chile treaty of 1904. In 1910 La Paz and Oruro were connected, thus giving the metropolis of Bolivia, before the World

War, direct rail communication with three Pacific ports.

This was splendid, in so far as getting away from Bolivia was concerned. But only the La Paz-Oruro section was of internal advantage in a country whose economic life and political stability were dependent upon the development of communications. To the more difficult and less remunerative work of linking one part of the country up with another, the Bolivian Government had to bend its energies, and to put its credit behind railway construction in a mountain region which challenged the ingenuity of engineers and the utmost resources of financial backers. What the Bolivians wanted and needed was to get to the capital, Sucre, and to make rail connection with Bolivia del Oriente such as already existed with the Pacific ports. Great sums of money have been spent and the goal is not attained.

When even the railway from Potosí to the capital, begun in 1916, is unfinished twelve years later, with only a hundred miles to go, it is not surprising that the two other ambitious projects, which involved tens of millions of dollars and a ribbon-like descent of the eastern slopes of the Andes, remain an unrealized dream. The road from La Paz down to Yungas, which would enable this rich agricultural region to send its products to the plateau, stopped abruptly after a little over thirty miles, two miles up in the air. The line from Oruro to Santa Cruz, which was to be the first link in a South American coast-to-coast railway, is still on paper beyond Cochabamba. Bolivia del Oriente remains a far-off land to the plateau, where most of the people live. In the meantime, Santa Cruz looks to the fairy godmother, the Standard Oil Company, for a road through the oil-fields to Embarcacion, in Argen-

tina, railhead of the line to Buenos Aires. If this road comes before the Cochabamba-Santa Cruz line, it is not going to help the cause of Bolivian unity.

But there is now direct communication beween La Paz and Buenos Aires by the connection of the Bolivian railway system with that of Argentina on Bolivia's southern highland frontier. Through carriages began to run from La Paz to Tucumán in June, 1927, bringing the capitals of Bolivia and Argentina within three and a half days of each other.

The tourist exclaims at the engineering triumph of foreign capital and constructors in Bolivia, as he does in Peru and Ecuador. Because he can now comfortably visit La Paz by a choice of routes from the Pacific or the Atlantic, he lauds the progress and enterprise of the last two decades, and sees no reason why Bolivia does not count herself fortunate. He does not realize that these pathways to the outside world have been financed and built by foreigners for their own interests and in no sense primarily for the internal economic interests of the Bolivian people. He does not know that Bolivia's debt capacity has been reached, and that it is no particular comfort or advantage for the Bolivians to know that they can go to Chile or Peru or Argentina, but not to the regions of their own country, with which politics and economics and social progress so insistently demand quick communications. Tantalus again!

Another consideration will appeal to the thoughtful student. While it is splendid for tourists and foreigners and for Bolivia's neighbors to have easy access to her territory, the patriotic Bolivian must deplore railway construction from points within her frontiers to outside places before the country is linked up inside.

From a military point of view, this opens the country easily to invading armies. Argentina has two railways to the Bolivian frontier, and Brazil one; while both Chile and Peru strike Bolivia at more than one point. It takes twelve days to go from the railhead at the point nearest Santa Cruz to that city, the largest of Bolivia del Oriente. If Santa Cruz gets a railway connecting with the Argentine system, she will be a week nearer Buenos Aires than La Paz! From the viewpoint of political unity, also, it might be better to have no railroads into Brazil or Paraguay or Argentina before the connection, however costly, is made between the plateau and the lowlands. Inhabitants of a country should become accustomed to orientating their economic and cultural life toward the regions of their own country where the population is most dense and the culture and economic life more significant before they get into the habit of intercourse with neighboring countries.

And yet the governing classes of this country of baffling problems, so vast, so rich, and so sparsely populated, continue to console themselves and expend their best thought and energies in internal political rivalry and in international political bargaining. We have said enough of the internal quarrels and of how in recent years international territorial and financial questions have been used as weapons in them. There remains only to trace briefly international disputes with neighbors.

After the War of the Pacific, Bolivia concluded a truce pact for ten years with Chile, and in 1904 made a treaty of peace and friendship by which Chile bound herself to provide a railway outlet to Arica. Frontiers were agreed on in principle, with arbitration by the

German Kaiser in case of difference of opinion. The settling of the boundary with Peru, all the way from the mountains to the forests at the edge of the Amazon basin, nearly precipitated war in 1910, when both countries mobilized, and was finally decided by arbitration under the auspices of the president of the Royal Geographical Society of England. Bolivia showed herself for the moment bellicose also in sending armed forces to the Acre River, where the boundary with Brazil was surveyed and settled, with hostilities about to break out to the very end. To illustrate how little the Bolivians knew of the country which they were claiming, a regiment got lost and kept following the tributaries of the Amazon into Brazilian territory. After an odyssey unique in history, seven survivors were picked up and sent to a hospital on the Atlantic coast. After they recovered, Brazil sent them back to Bolivia with her compliments by way of the Straits of Magellan. They had traveled more than fifteen hundred miles in Brazilian territory and had mostly died off before the survivors realized that they had gone beyond the frontier they had been sent to defend.

The most serious dispute—a dispute seemingly without end, has been the boundary question with Paraguay, both countries claiming the Gran Chaco region in the angle formed by the Pilcomayo and Paraguay rivers. A frontier there has to be in this unexplored land. Yet where to put it neither country has ever known. But both countries have frequently shown a willingness to fight over a region the extent of which they have never established or mapped. On the eve of the Havana Conference an eminent Spanish authority called the dispute between Bolivia and Paraguay over the Chaco Boreal "one of the four great inter-

national conflicts still threatening peace in the Western Hemisphere." In 1913 both countries agreed to reopen the question in direct negotiations, and to arbitrate it if they failed. But only fourteen years later, on April 22, 1927, did the disputants sign a protocol at Buenos Aires to accept the good offices of Argentina for the delimitation of the Chaco frontier.

Bolivia may not have railways and money in the bank, but she does have good fighting men. The Aymara Indians are regarded as excellent soldiers. Their German trainers have declared them to be capable of forming a fighting machine second to none. When Saavedra was in office, he appointed the head of the German mission, who became a Bolivian citizen to qualify, his secretary of war. In view of the absence of revenues that could be devoted to war material, and the fact that the standing army comprises only five thousand men, speaking of the Bolivian army seems hardly worth while. And yet, Bolivia could raise a great fighting force. She proved that in the War of the Pacific. Her five thousand well-trained Aymaras are an excellent nucleus that could create trouble for Paraguay, or that could pretty nearly decide the issue in the event of a war between Peru and Chile. When he presented his credentials to President Coolidge on February 10, 1928, the new Bolivian minister to the United States spoke feelingly of the need of Bolivia for a seaport. Satisfying that need is one of the first steps toward permanent peace in South America.

CHAPTER VI

CHILE

GEOGRAPHICALLY speaking, Chile is unique. There is no country like it anywhere in the world. With its astonishing geographical peculiarities, its existence as a state, politically and economically, is a miracle. Chile has a coast-line of twenty-seven hundred miles on the Pacific, which forms a straight line due south from Peru until it curves around Tierra del Fuego to Cape Horn. But except at Antofagasta, in the desert north, where the frontier is two hundred and fifty miles inland, the average width of this country is considerably less than a hundred miles. At one point it is only sixty-five miles from the top of the mountains to the sea. By the most hopeful estimate more than a third of the surface of long and narrow Chile is uninhabitable. And yet, though only Ecuador, Uruguay, and Paraguay among South American republics have a smaller area, and although the Chileans number scarcely four millions, Chile makes a strong bid to recognition as a world power. She is represented by an ambassador at Washington, if you please, and her influence in international affairs must be reckoned with not only by the United States but by European nations and Japan as well.

Nature has been generous to every South American

country except Chile. Only in this strip of the continent, between the Andes and the Pacific, are fertile plateaus and deep rivers, forest and grazing and cereal lands lacking.

A coastal mountain range, with an average elevation in the northern and central sections of from three thousand to four thousand feet, extends the whole length of the country. The main range of the Andes, rising to the highest mountains of the world outside the Himalayas, forms the boundary with Bolivia and Argentina. The valley between is a tropical desert in the north for more than a third of Chile, reaching southward almost to Santiago. Here animal and vegetable life does not exist; but the law of compensation gives inexhaustible wealth in nitrates and copper.

The law of compensation, also, provides Chile with means of communication on an ocean that does not belie its name; and there are sixty-five ports, fifteen of which are capable of sheltering large steamers. The traveler gets a good idea of Chile when he finds that it takes him seven days to make the voyage, with ports of call, from the Straits of Magellan northward to Valparaiso, and another week from Valparaiso to the southernmost port of Peru. Almost the whole distance one sees rugged mountains along the coast, beyond which the snow-capped Andes rise into and above the clouds. The spectacle never ceases to be awe-inspiring, but it is rarely beautiful. Given the width of Chile, we realize that virtually the whole country is before one's eyes from the sea. Enough of it is seen to get a good idea of its character. The islands and bays and uplands in the south are wind-swept and fog-ridden, and despite the heavy rainfall the grass looks like food

for hardy animals, able to withstand a sometimes frigid climate. Colder, too, it must be high up in the mountains. In the central part, from the steamer rail one would not guess that beyond the hills framing Valparaiso are fertile valleys extending southward, where live the bulk of the inhabitants of the country. In the north, day succeeds day of sailing into the tropics along a God-forsaken desert coast. We once played golf at the "country club" in one of the northern Chilean ports. There wasn't a blade of grass, because they hadn't had any rain in years. Tees, fairways, greens alike were sand and lava rock.

One tires of bleak mountains and forbidding coasts, and in contrast to Valparaiso, which has some of the fascination of Constantinople, other Chilean ports seem dreary and backward, even where there is feverish shipping activity. But one does not tire of speculating on the remarkable qualities in the men who established European civilization in this country, and on the character inheritance possessed by the descendants who have carried on. We have said that Chile is unique geographically. We must not forget also her remoteness from Europe and North America—from the other countries of South America, in fact. For to point this out makes all the more remarkable the achievement of the Chilean people from the days of the founders to the present time.

On the north more than a thousand miles of desert; on the west the second highest mountain range in the world; on the south, about a thousand miles nearer the Antarctic than the southern end of Africa; on the west the Pacific Ocean at its most distant point from the teeming population and the rich markets of Asia—these are the boundaries of Chile.

A short time before the World War the Transandine Railway was completed, and communication established between Santiago and Buenos Aires in less than two days. But engineering skill has not yet overcome mountain snows, so this road is closed for several months every year, and during a varying period before and after the fixed winter season one is never sure whether it will be open or not. The Panama Canal began to function at the beginning of the World War, thus establishing direct communication between the west coast of South America and the Atlantic ports of the United States, and also shortening the distance to Europe. A glance at the map of the Western Hemisphere will show that the west coast of South America is pretty nearly in a line with the east coast of the United States. The distance, by using the canal, between New York and Valparaiso is nearly a thousand miles less than between New York and Buenos Aires. But owing to many ports of call, west coast steamers take longer than some east coast lines: one can go from New York to Montevideo and Buenos Aires more quickly than from New York to Valparaiso. A third of the time from Valparaiso to New York is spent before the last Chilean port is cleared.

The Transandine Railway, which is to be followed by two others, brings Chile nearer to Argentina, Uruguay, and Brazil than formerly; and there are two railroads from northern Chilean ports into Bolivia. But the provinces of Chile are mostly still bound to one another by sea routes, and Peru is actually longer by sea—the only route—from Chile in time than is the United States from Europe. Freights to and from Brazil, Uruguay, and the Argentine must still take the long voyage around Cape Horn, as American and European freights

did before the opening of the Panama Canal. Nothing will ever change that. And Chile will always remain the farthest of South American countries from Europe, and from North America, and the farthest of Pacific Ocean states from Asia.

We approach, therefore, the history of the colonization and development of the Chilean nation with the admiration due a people who struggled against geographical obstacles and succeeded—one might say almost miraculously—in overcoming them. Our ancestors penetrated the North American continent without undue hardships, and even in the covered-wagon days of expansion westward the pioneers were conscious of unbroken connection with millions of their fellows behind them. The Portuguese who went to Brazil, and the Spanish who conquered Mexico and Peru, settled in Argentina, and spread over the tropical countries of northern South America, were, like the colonists in the United States, links in an unbroken chain. How much more did the pioneers in Chile face, and how much more did those who survived and settled there contend with! To understand the virility of the Chileans, and the important place occupied by a race of four millions, so far away from everything, in the society of nations, we must summarize their history.

In the fourteenth century the Incas of Peru invaded Chile, but did not get much farther than the valley in which Santiago now lies. Superior though they were in knowledge of the weapons of war, the Incas failed to make headway against the Indians of central and southern Chile. But their invasion did pave the way for the white man to go as far as they had gone. The first Spanish invasion, from 1535 to 1538, was unsuccessful. They found no gold, and the Indians were too

strong for them. Of different caliber was Pedro de Valdivia, sent by Pizarro to conquer and colonize Chile in 1540. Valdivia chose one of the finest locations in the world for his capital, over a hundred miles inland from Valparaiso on the Mapocho River. It was a fertile region where Europeans could subsist without difficulty, and a vantage point for armies of conquest and for settlers pushing forward to the temperate zone regions in the south. The city was laid out on a plateau seventeen hundred feet high, with mountains behind it nearer at hand but not dissimilar to the Alps behind Turin. The exact site was probably due to a rocky height, which is now a picturesque park in the center of the city, the Cerro Santa Lucia.

In their favor the colonists had a fertile and well-watered region round them, with plenty of room for expansion southward and southwest; and an ideal climate all the year round. Against them they had what the Incas failed to overcome—an indomitable Indian population, numerous and well organized for war. For more than a decade Valdivia fought to extend his conquest; he succeeded in founding a number of cities—the most important of which was Concepcion—and getting into southern Chile. But the extension of administrative control meant constant fighting. In 1553 the Indians began a concerted effort to check the white man's expansion. Valdivia and most of his companions were killed in battle. The Spanish who escaped concentrated in Santiago and Concepcion. Reinforcements came infrequently, but when they did come it was always a fresh strong army, whose garrisons were never free from repelling attacks or making punitive expeditions. Nowhere on the Western Hemisphere did the Indians resist the white man as they

did in Chile, and after a hundred years the Indians were still strong enough to negotiate a treaty of peace on equal terms. The Spanish bound themselves to make no attempt to extend their sovereignty south of the Bio-bio River. The hundred years war had brought the Indians together, and had wiped out many tribal distinctions. They were of one general race and became known as Araucanians. Several times the Spanish tried to upset the arrangement of 1640, but they were never strong enough to do so, and the treaty after the last war, in 1766, gave the Araucanians the right to be represented by a minister at Santiago.

To the Indian wars and remoteness from the homeland were added other difficulties that developed the physical and moral stamina of the Spanish colonists. The mother country's trade restrictions were incredibly stupid, unless it be that the attractiveness of Chile's climate to men of European stock made the Spanish fear that everybody who went out to the New World would want to stop there—to the detriment of gold and silver mining in Peru. Navigation around Cape Horn was forbidden. This kept Chile an outpost of Peru and compelled its colonists to grow cereals for the Peruvian market. It made them learn, also, how to conquer the Andes; and the innumerable trails over into Argentina and Bolivia were invaluable up to the twentieth century. Had Chile been allowed free and direct access to Europe by sea from the beginning of European colonization the Andes might have remained an impenetrable barrier, and there might have been no liaison between Chileans and Argentines in the war of independence.

Most of the restrictions were removed in the eighteenth century. With direct communication with Spain

and other parts of Europe established, the temperate climate of Chile attracted immigrants from northern Spain. The Biscayans were to the Spanish what the Lombards were to the Italians, an element peculiarly adapted to emigration. In addition they were seafaring. This eighteenth century immigration, grafted on the older stock, made the Chileans unique among the South Americans of Spanish antecedents, and can be added to the climate and other considerations we have mentioned as an explanation of their fine qualities.

The Chileans boast, like the Argentines and the Uruguayans, of the purity of their blood. It is true that one does not find in Chile the prevalence of a distinctive mestizo type which is so noticeable in every other Latin-American country except Argentina and Uruguay. But this does not mean that an Indian strain has not entered strongly into Chilean blood. Of South American Indians, the Araucanians and the Patagonians, kindred races, alone have measured up to the white man. The Patagonians were not seriously interfered with by European civilization until the last two decades of the nineteenth century. The Araucanians, on the other hand, as we have seen, met and resisted the white man from his first arrival. The other Indians of Chile, less fortunate, were serfs of the colonists and gradually disappeared. The Araucanians, meeting the Spanish on terms of equality, and preserving their autonomy, gave as good as they got in intermarriage. The considerable Indian strain in Chilean blood, therefore, has not deteriorated or greatly changed the Chilean stock.

The Araucanians have contributed more to the making of the Chilean nation than most outsiders suspect. But Chilean history and traditions recognize Araucanian coöperation, and are proud of it. This is strikingly

illustrated in the verse of the national anthem which reads:

> Con su sangre el altivo Araucano
> Nos legó per herencia el valor,
> Y no tiembla la espada en la mano
> Defendiendo de Chile el honor.

Chilean causes for dissatisfaction with the mother country at the end of the eighteenth century were similar to those of the North Atlantic colonies of England against their overseas Government. The trade monopoly, while waived in the case of France, was still irksome. More of a grievance was the succession of high officials, civilian and military, coming out from Spain, who filled all the good jobs, and who made short shrift of the rights and feelings of the native-born colonists. The Chileans were ready, therefore, for the revolution that swept the continent in 1810. The first movement, at Santiago in the autumn of 1810, spread quickly to the provinces and led to the temporary disappearance of Spanish rule. But unlike the colonists who shook off the yoke of England, the Chileans were mostly illiterate, and the movement was at the mercy of leaders who distrusted one another. The viceroy of Peru stamped out the revolution in 1814.

Aid came from the outside three years later, when San Martin, accompanied by the exiled Chilean O'Higgins, led an army across the Andes from Mendoza and won the first great battle of South American independence at Chacabuco. The Spanish evacuated Santiago. San Martin refused the offer of the Chilean army to make him ruler of the country, because he wanted to continue the war of independence by carry-

ing it into Peru. Bernardo O'Higgins became the first dictator. Again with the aid of an army from Argentina, Chile saved the independence won at Chacabuco by decisively routing the new army sent from Peru at Maipo on April 5, 1818. It took some time, with the aid of the Araucanians, to shut the Spanish garrisons up in coast towns of central and southern Chile. And when this was accomplished the Chilean fleet, under Lord Cochran, transported and gave valuable assistance to San Martin in realizing his dream of driving the Spanish out of Peru. Only by this final step could the emancipation be made secure.

The Chileans and their leaders played a generous and vital rôle in the war of independence. They got along well with leaders and armies of other colonies. But when they had won freedom, internal dissension broke out, as in Argentina, and threw the country into confusion. O'Higgins, valiant and right-minded though all conceded him to be, was a bitter opponent of democracy. He was forced, after many delays, to call a constitutional convention in 1822. But when he tried to dominate it, rebellion broke out. O'Higgins was able to suppress it, but when he realized that it was going to spring up again and that the outlook was almost hopeless, he gave over the government to a junta. Civil war followed. Out of it emerged General Freire as "supreme director," who convoked a constituent assembly in August, 1823, and promulgated the constitution adopted by it. It was a critical moment. The war in Peru was not yet won, and the Holy Alliance in Europe was openly striving to find means of helping Spain recover her Latin-American empire. Several Spanish garrisons, in touch by sea with the mother country, were still partly in control of the southern

provinces. It took General Freire two years of hard campaigning to force the Spanish out. When he returned to Santiago in 1826, with the liberation complete, the internal government of the new republic was still in confusion. There was another constituent assembly, after Freire's resignation, and a new constitution. But several years more of internal strife followed, during which the people became thoroughly demoralized.

The constitution under which Chile was governed until 1925 was established on May 25, 1833, with a double chamber and universal suffrage, in which the Araucanians participated. It was democratic only in theory, however, and the president, elected for a term of five years by indirect vote, could succeed himself for a second term. This happened four times: Chile was ruled by successive dictators during four decades. In 1871 the constitution was amended to prohibit a second term, and provided that the retiring president should not leave the country until a year after his term of office had expired. Thus was the principle of responsibility established! The first of the dictators, General Prieto, came into power after defeating the Liberals in a pitched battle. Prieto was fortunate in having an able minister as his right-hand man, Diego Portales, an Araucanian mestizo. While Prieto ruled with the ideas and in the spirit of Bernardo O'Higgins, but with more force and success, Portales laid the foundations of national life. Chile had oligarchical peace under Prieto's successors, Bulnes and Montt. Elections were a farce, and successive dictatorships justified their practical suspension of the constitution on the ground that absolute despotism was better than anarchy.

As in Argentina, the first united and constitutional government did not evolve until the eighteen sixties. But Chile had not had rival governments, and her factions did not call in outsiders. The Argentine provinces were large enough to be self-sustaining, and resisted the process of unification for thirty years longer than Chilean provinces. So in national highways and finances and schools, and in national policies, Chile had a start of a generation over Argentina. In 1865, when Argentina, Uruguay, and Brazil were combining against Paraguay, Chile declared war against Spain, which was fighting Peru. The Spanish fleet, controlling the sea, bombarded Valparaiso, and cut off Chile's communications with her outlying provinces, which could be reached only by water. It was a splendid lesson for the Chileans to learn. The war with Spain led them to construct a navy and provide for transports, so that they would not be caught again in a position of utter defenselessness.

Fourteen years later the possession of a few warships and transports made it possible for Chile to engage successfully in a war against Bolivia and Peru over the possession of nitrate-fields, and to increase considerably her territory in the desert north, where nitrate wealth lay, at the expense of her neighbors.

The War of the Pacific, the hostilities of which extended on land and sea over a period of more than three years, is the most important in the history of the South American republics, in magnitude of operations, in changes of territory that followed it, and in heritage of hatred aroused by it. The war began in 1879; the last engagement was fought in 1882; the treaty of peace was signed in 1883. We are approaching the fiftieth anniversary of the seizure of Bolivian ports by

Chile. But half a century has not sufficed to wipe out the memories of the war and to reconcile the vanquished to their loss.

The War of the Pacific was full of movement. After occupying the ports of the Bolivian province of Atacamá, the Chilean armies marched inland, routed the Bolivians, and took over the nitrate-fields. Peru came to the aid of Bolivia, and found the Chilean fleet at the entrance of her ports. In a naval engagement at Iquique the Chilean admiral was killed. But a few months later the Chileans killed the Peruvian admiral, and swept Peru off the sea. By the end of 1879, despite an allied victory on land, the Chileans were in possession of the Peruvian as well as the Bolivian nitrate-fields. In the spring of 1880 the Chilean armies extended their occupation of Peru northward, fought a great battle at Tacna, and then occupied Arica from the land side. The hill at the mouth of the harbor, on which the Peruvians had relied for the defense of Arica, was thus rendered useless. The commander of the garrison, in despair, jumped into the ocean on horseback. His act, glorified in Peruvian history, has become the sentimental obstacle to a solution of one of the thorniest questions in present-day South America.

At the end of 1880 a Chilean army landed at Pisco, and marched against Lima. The defenses of the city, Chorrillos and Miraflores, were taken by storm at tremendous cost. The Chilean army entered Lima in triumph on January 17, 1881. Callao surrendered the next day. For a long time Peru suffered the humiliation of having her capital and ports occupied by the invaders. Chile was in a position to dictate peace, but there was no Peruvian Government for nearly two years with which the Chilean Government could deal. A govern-

ment was finally organized in the summer of 1883, which signed the treaty of Ancon. Peru ceded the province of Tarapacá to Chile, and consented to the Chilean occupation of the provinces Tacna and Arica for ten years, at the end of which a plebiscite was to be held to determine whether the occupied territories were to remain Chilean or be returned to Peru. On December 11, 1884, Bolivia signed a treaty ceding to Chile the whole of her seacoast.

By the Treaty of Ancon, Chile became the sole possessor of the greatest nitrate-fields in the world and added materially not only to her area but to her wealth. Of population there was little in these regions. But Chile has paid a price for her victory through the years in the downright enmity of Peru and the constant clamoring of Bolivia for the return of at least a part of her outlet to the sea. Aside from the revenue derived from the export tax on nitrate, the territorial gains of the Treaty of Ancon have been of little value. Chile is more elongated than ever; her dependence upon a single source of prosperity has increased; the accessions in the direction of the equator are no more than arid desert and seem incapable of ever being colonized or of growing any kind of foodstuffs.

We interrupted our summary of the internal history of Chile to speak of the wars with Spain and with Bolivia and Peru because it would seem that the conflicts with outside enemies should have put an end to civil war. But Chilean history has been unique in that it did not follow the almost universal experience of other countries after such a test. During the War of the Pacific, President Pinto, whose record was excellent, was succeeded by Santa Maria, who brought the war to a successful conclusion and concluded what were,

from the Chilean standpoint, advantageous treaties. The Conservatives, however, were bitter because President Santa Maria carried out in practice a constitutional amendment, separating church and state, which had been voted twenty years earlier. When his term expired, and Santa Maria succeeded in having a member of his own party elected to succeed him, the Conservative opposition became more pronounced. Balmaceda was responsible for distinct progress in naval construction, port fortifications, and development of primary and higher education. However, the cry of graft was raised, and before the end of his term President Balmaceda's administration had lost the support of Parliament. At the end of his term Balmaceda had become a virtual dictator and intended to put one of his henchmen into the presidential chair. There was a mutiny in the navy at Valparaiso on January 6, 1891. Civil war broke out, with the opponents of the President, who called themselves Congressionalists, established at Iquique. Because most of the regular army and two of the best vessels in the navy remained loyal to Balmaceda, there was fighting on land and sea. The Congressionalists had to form and equip an army. In August the Congressional army, taking the offensive, decisively defeated the government troops and occupied Santiago and Valparaiso.

The civil war of 1891 did great damage to the Chilean fleet and to the solidarity that ought to have followed the War of the Pacific and that was so sorely needed by a country making rapid economic progress. Admiral Montt, who had headed the revolution against Balmaceda, was elected president, and he and his successors for many years struggled against the heritage of suspicion and hatred that the fratricidal con-

flict had left to the political life of Chile. The day of dictatorship seemed to be over. But the country went from Scylla to Charybdis in that the weakening of executive authority was followed by parliamentary instability. The parties were too numerous and too divided for any cabinet to retain for long a parliamentary majority. Frequent changes of ministers hindered the passage and the carrying out of many constructive measures for the advancement of Chile. The money could have been found, and for their execution men of ability were at hand.

But there was no more civil war, and single term presidents succeedeed one another in an orderly way until 1924. In recent years the country has seen a recurrence of unconstitutional procedure in the administration. At the beginning of 1924 the Senate, in which there was a Conservative majority, blocked President Alessandri's attempt to reform the electoral system and insisted on Congress remaining in session until the March general election. The country returned a strong Liberal majority. But it had no cohesion, and the bickering of factions paralyzed the Government's finances. Money was lacking in the treasury to pay salaries. Legislation that would have brought revenue and constructive progress in the country was held up. On September 4, General Altamirano presented an ultimatum to the president, demanding the passage of bills that should have gone through months earlier. The Military Council assured the public, in a pronunciamiento, that the army was not being used for politics, but for cleansing the administration. The general became premier and formed a new cabinet. The Military Council forced the resignation of President Alessandri and put him across the Argentine frontier. Then the

cabinet became a junta and announced that a presidential election would be held on May 10, 1925, by direct vote, thus abrogating the constitutional method of choosing the president by electors. The new Congress was to meet on July 25 "to ratify or reject the reforms proposed by the provisional government."

But Chile possessed no Mussolini with a volunteer army to back him up. On January 23, 1925, two regiments surrounded the Government House, deposed the junta, and appointed a new junta. The navy had been supporting the Military Council. Civil war nearly broke out. It was averted by the skill of Agustin Edwards, who suggested a triumvirate composed of an admiral, a general, and a civilian. The new junta yielded to public opinion, and telegraphed President Alessandri to return from exile in Italy. He stipulated that all army and navy officers should resume their functions, and that a constituent assembly should be convoked to bring the country back to a constitutional régime. For all that martial law had to be declared at Santiago and Valparaiso. Alessandri returned on March 20, a new constitution was drafted, and was accepted by a plebiscite on August 20. Dr. Figueroa was elected in the autumn, and was inaugurated on December 23, 1925.

The friends of Chile throughout the world were delighted at the news of the return to normal political life. But the left wing of the new Congress continued to attack the army for the part it had played in the *coup d'état*. Communists and radicals kept insisting that the country was in danger, and they demanded measures limiting army appropriations and definitely removing all army officers from politics. Colonel Carlos Ibáñez, minister of war, finally lost his patience and compelled President Figueroa and the council of min-

isters in October to second his threat to suspend the guarantees of the constitution in order to bring the "Communists" to book. Out of the confusion which followed, Colonel Ibáñez emerged in February as prime minister and minister of the interior, with his own picked men in the important cabinet posts. In April he became vice-president, and began to usurp presidential functions. He deported several hundred alleged Communists to the Juan Fernandez Islands.

The situation having become intolerable for him, President Figueroa resigned in May. On May 22 Ibáñez was elected in his stead; and on July 21 the dictator was sworn in as president for a term of six years. It is not without deep significance that he wore the sash of Balmaceda, who had died in exile nearly thirty years before, leaving the sash to his son with the request that it should not be used again until "a president imbued with his own ideals should take office."

At last Chile found her Mussolini. President Ibáñez followed closely the example set in Italy in 1922. He dismissed in wholesale manner the state employees, especially supernumeraries in government offices and on the railroad. Those who opposed his régime took the road to exile.

The dictator's authority became complete when he was able to expel former President Alessandri. In September large demonstrations in favor of Alessandri and in protest of the usurpation took place in Santiago, Valparaiso, and Concepcion. Anti-governmental agitation began also to manifest itself in the seaports of the nitrate region. But Ibáñez was strong enough now to accept the challenge. The army and navy were solidly behind him. Alessandri and his son and several of his most outspoken supporters were escorted to the Ar-

gentine frontier and put gently but firmly on the train for Buenos Aires.

President Ibáñez has accomplished much in the way of suppressing graft and incompetency and of securing the efficient running of government departments. So far the benefits of his energetic management have reconciled the people to the loss of their political liberties. On the surface the Chileans are contented. They do not seem to resent the abrogation of the rights of free election, free assembly, free speech, and a free press.[1] From the moment that Ibáñez assumed power until the end of April, 1928, the press censorship was rigorous. No Buenos Aires dailies were allowed to enter the country. There was no holiday on May Day in 1928, and not the slightest demonstration or disturbance anywhere. Labor sympathizers did not dare to absent from work that day!

The dictatorship of Ibáñez, in the way it began, in the excuse given for its necessity, and in the great good it is supposed to have accomplished for the country, can be likened to that of Mussolini in Italy, Rivera in Spain, Kemal in Turkey, and, to a lesser extent, Pilsudski in Poland. It is a different kind of dictatorship from those which Latin-American republics have known only too well and only too frequently. Whether it will evolve into a régime such as Leguia has established in Peru time alone can tell.

We have given more attention to the history of Chile than to that of the other South American countries, and especially to the latest interesting phases of

[1] My friend and neighbor, Professor Critchlow, shows me a recent advertisement from the "Nación" of Santiago, in which, listed for sale under "antiques," we read, "One dozen upholstered chairs from the Chamber of Deputies."

the breakdown of representative government. This has been done because we believe that what happens in Chile is more significant and more far-reaching in its influence than the contemporary history of any other South American republic. The development of the Spanish colony into the American republic farthest from Europe is a fascinating story that helps us to understand the influence disproportionate to her size and population of present-day Chile. Minuscule in comparison with Brazil, and almost self-effacing on the map alongside Argentina, Chile has managed to make and keep a place in international politics not inferior to theirs. The virility of her people has most to do with this. Their background has made them what they are, and the touch of Araucanian blood has not impaired their European heritage, either physically or psychologically.

Because there is no place for them to settle and no opportunity for making money except after a heavy expenditure of capital, Chile does not attract European immigrants in the twentieth century as Argentina and Uruguay and southern Brazil have done. Her population increases more slowly, and also her wealth. Free from a large and constant stream of immigrants, the Chileans have developed, with the progress of civilization of the last half-century, a nationalism strikingly like that of European peoples. It is unlike the nationalism of most American peoples because it is solidly grounded upon common blood, language, and traditions.

The Chileans are almost Prussian in their attitude towards society, and they are quite willing to believe themselves the race of destiny among Latin-Americans. "We are the only race of Spanish blood, uncontaminated by a hodgepodge of alien elements, in the West-

ern Hemisphere," they are proud of saying. They might add that they are looking for a larger "place in the sun." But they never do that. Naturally secretive, they do not want to be pouring out either their grievances or their handicaps before foreigners. What they hope for is locked up tight in their breasts, and they reveal their aspirations only when it is necessary to pass them down in schools to the younger generation. In common with all peoples of strongly nationalistic tendencies, they do not care for foreigners, and they are jealous of the foreigners among them, if they ever get any power in their hands.

And yet, with the courtesy that is one of the beautiful traits of Latin peoples, they do not make you feel aware of any hostility to outsiders. A more pleasant city for a foreigner to sojourn in than Santiago would be hard to find. Europeans and North Americans are at home there, and yet one is all the time conscious that this great city belongs to one people. It is not a melting-pot like Buenos Aires or Montevideo or New York.

The essential unity of the Chilean people, despite their internal troubles, has enabled them to assert themselves and defend their rights, as they saw them, whenever an international crisis arose. It was the instinct that gave birth to the Monroe Doctrine with us that led them to side with Peru against Spain in 1865 when Spain seized some islands off the coast of Peru. Even after the lapse of nearly half a century they still feared that Spain would attempt to regain her authority in South America. They accepted stoically the bombardment of Valparaiso by the Spanish fleet in 1866, and were puzzled by the failure of the United States squadron, which was present at the time, to intervene in defense of what they thought was equally our own

policy for the Western Hemisphere. The War of the Pacific revealed their consciousness of the too narrow limits of their country, and their determination not to allow Bolivia and Peru to shut them off from marketing guano and nitrates. The breaking out of hostilities in 1879 was the culmination of diplomatic squabbles with Bolivia over a period of nearly thirty years. The Treaty of Ancon demonstrated Chile's determination to extend her boundaries to include territories which she thought she could make better use of than had those who had previously owned them. Her growing pains were similar to those of the United States in the Mexican War. The boundary dispute with Argentina, which was settled by arbitration, was an illustration of the common sense of the Chileans. They had been strong enough to annex the nitrate deposits at the expense of Bolivia and Peru, but they knew that they could not dispute the title of Argentina to the Patagonian highlands on the western slopes of the Andes.

At the time of the war of independence and several times later American merchant vessels, seized by the Chileans, led to claims that dragged on through decades, and each time the United States finally forced a settlement through arbitration. Insistence upon these claims, however, did not make for good feeling; and during the War of the Pacific, Secretary Blaine showed a preference for Peru that aroused new resentment. Blaine was again secretary of state at the time of the uprising against Balmaceda in 1891, of which we have already spoken. Our representative at Santiago mistakenly espoused the cause of the dictator.[2] Our State

[2] We are aware that Minister Egan's policy has been vigorously defended in recent years by those who point out that

Department used the American navy to seize a vessel in the port of Iquique that had brought arms for the insurgents from San Diego, thus violating international law. When the matter came before an American court, the Chilean vessel, which had been brought back from Iquique, was released, the court holding that the action of the American Government had been without justification.

The congressional revolution, in the meantime, had been successful, and our backing of Balmaceda—the seizure at Iquique was only one of several instances of our prejudiced attitude—increased the feeling against the United States in Chile. Sailors from the U.S.S. *Baltimore* got into a quarrel with Chilean sailors in a Valparaiso saloon and an American sailor was killed. Blaine refused to regard it as a drunken brawl and demanded reparation. The Chilean Government gave us the same answer we had given Italy a few months earlier, when Italians had been lynched at New Orleans. Washington had told Rome that the case was in the hands of the local authorities. Santiago told Washington the same thing. Notwithstanding the similarity of the two affairs, President Harrison sent a message to Congress, and war would have been declared had not Chile apologized and paid an indemnity of $75,000.

Following closely upon the heels of this affair, the

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he was merely trying to defend American interests that were striving to upset the English monopoly of nitrate export, carrying trade, and cable communications. But partizanship in an internal political struggle is not the way a foreign diplomatic representative can hope to win trade advantages for his country. It has been proved over and over again in South America that once we grant loans to governments and private enterprises and give proper credits to mercantile houses, we find no European monopoly standing in our way.

United States pressed claims against Chile, on behalf of American citizens, arising out of seizures and damage in the War of the Pacific and the Chilean civil war. A commission found in favor of the United States to the amount of nearly a quarter of a million dollars, but adjourned before considering a counter-claim of almost an equal amount that had been filed by the owners of the vessel dragged back to San Diego from Iquique. In 1906 an earthquake, followed by fire, resulted in three thousand deaths and the destruction of a good part of Valparaiso. It was a disaster proportionately as great as that which fell upon San Francisco the same year. We were generous in our help; and at the same time Secretary of State Root made a good-will tour of the South American republics. For a country with limited resources the effects of such a calamity were felt for years. Chile passed through several labor crises, and was in the midst of an economic crisis in the nitrate trade when we sent an ultimatum on November 18, 1909, demanding arbitration of a claim that had been dragging since the cession of Bolivian territories by the Treaty of Ancon. American partners in a Chilean firm in the ceded territory believed that they had been injured to the extent of three million dollars. They were awarded nearly a third of that sum, which Chile had to pay at a time when her exchange was shot to pieces. These are facts that should be known by Americans who puzzle over the failure of Chileans to like us.

The result of our methods of dealing with Chile was the welcoming of Japanese at a moment when we were excluding them more rigorously than ever before. In 1913 Japanese business houses were opened in Valparaiso and Santiago, their fishing boats were given per-

mission to work in the Gulf of Arauco, and Japanese capital was invested in Chilean fisheries. Negotiations were begun for the establishment of direct communications between Valparaiso and Yokohama. The Germans, too, began to get a foothold in the country, but this harmed British interests more than our own. In 1915 formal friendly relations were established with China by a new treaty, which provided for the appointment of diplomatic and consular representatives.

Chile was roundly criticized in allied countries and also in the United States for her consistent policy of neutrality throughout the World War. But Chile's neutrality was based upon the same ground as our own —*i.e.,* that national interests were not affected. Chile was more remote from the scene of the troubles than the United States. But soon after the war began she prospered, as we did, by the unprecedented demand of the Entente powers for what she could contribute in supplies. As Chile became more and more involved financially in the fortunes of the Entente powers, and profited from their payments to her, becoming heavier all the time, it was natural that the feeling, at first pro-German, should have veered a bit toward those who were so powerfully contributing to an increase in national wealth.

Remote as she was from the conflict in Europe, the first spectacular naval engagement of the World War was fought off the Chilean coast, near Coronel. On November 1, 1914, five German warships engaged a British squadron of four ships. The British cruisers *Good Hope* and *Monmouth* were sunk and the *Glasgow* was seriously damaged. This complete victory was due to superior seamanship, combined with an advantage in range of guns. The Germans maneuvered the

British ships into a position where the setting sun interfered with their aim, and in a few minutes inflicted terrific punishment on the British, with immunity to themselves. This defeat caused a great outcry against Chile in Great Britain. The Germans, having no foothold of their own of any kind in the Western Hemisphere, must have received coal and provisions from neutrals. Three months had passed since the outbreak of the war, and the Germans had been compelled to cruise like outlaws on the open seas. This tremendous disadvantage had been offset, the British claimed, by the connivance of German merchant ships interned in Chilean ports. But Chile denied the charges and proved that the interned ships could not have sent either wireless messages or supplies to the cruisers at sea. The British Government acknowledged that a mistake had been made. The Foreign Office then sent strong protests to Colombia and Ecuador against the breach of neutrality in supposed coaling and provisioning of the German ships. These two republics answered that the charges were "pure inventions concocted in the United States."

A new dispute arose with Great Britain in 1915, when a British squadron opened fire on the German cruiser *Dresden*, which had been interned by the Chilean Government in one of the Juan Fernandez islands. The Germans had hoisted a flag of truce, declaring that they were in neutral waters and interned. The British, however, persisted in the summons to surrender, whereupon the skipper of the *Dresden* blew up his ship. Chile vigorously remonstrated against this flagrant violation of neutrality and declared that it was without excuse, as there was no way in which the *Dresden* could have escaped, as the British commander

had contended. Great Britain apologized. This incident retarded the growing feeling of sympathy with the Entente powers noticeable in intellectual circles in Chile and Argentina.

In 1917 Chile's protests to Berlin against unrestricted submarine warfare were even stronger than those of Argentina. But the Government felt that there was no *casus belli*, and the appeal of President Wilson to the Latin-American republics to follow the example of the United States by entering the war fell upon deaf ears. In fact, the diplomatic action of Washington created an antagonistic sentiment at Santiago. The Chileans felt, as did the Argentinians, that the United States, after several years of neutrality, should not take it for granted that President Wilson's sudden change of front would automatically bring other neutral states into line. The Wilson note was interpreted as assuming too much. The United States could no more control the international relations of Chile and Argentina than she could take upon herself "the moral leadership of the world." We are paraphrasing Chilean editorial comment of May, 1917.

When the World War was over, however, the advantages of joining the League of Nations seemed obvious. There is no doubt that in most of the Latin-American countries statesmen and publicists looked upon the League of Nations as a possible means of escape from the inevitable hegemony of the United States, and were ready to participate in the Geneva organization with alacrity. Chile went to Geneva wholeheartedly. Her thought was probably parity with Argentina and Brazil as well as with the United States. Augustin Edwards, banker and journalist of high ability and reputation, who had already had diplomatic ex-

perience, represented Chile in the League, and became its president in 1922. But Chile had joined the League with the express reservation that the Treaty of Ancon would not be submitted to it. This fact put her in somewhat the same situation as the United States, although the latter was not a member. The failure of the United States to ratify the Treaty of Versailles and to accept membership in the League deprived Chile of the diplomatic advantage that some of her statesmen, at least, expected to have from the presence of the United States in the League. And then Chile's one burning international problem since the war—a problem affecting the peace of South America—she had excluded from League jurisdiction.

The question of the deferred plebiscite in Tacna and Arica had come up with Peru in 1918, and became aggravated as a result of the war whose aftermath, according to the ideologues, was to be a world in which all international injustices of the past would be righted. Barred by her own reservation as well as by the fear of an adverse decision from agreeing to submit the Tacna-Arica plebiscite question to the League of Nations or the World Court, Chile, against the judgment of some of her leaders, accepted the good offices of the United States in an attempt to settle this territorial dispute. So intricate and so important has this question become in the relations of three South American countries with one another and of all of them with the United States that we shall discuss it in more detail in a separate chapter.

The winning of independence, and its maintenance in such a fashion that the Chilean nation attracted the attention and gained the respect of the world at large, was not accomplished without sacrificing in some mea-

sure a normal, well-rounded economic development and the preservation of financial independence and control of the country's resources. We have said that Santiago, unlike Buenos Aires, has the atmosphere of the capital of a nation well knit together in blood and culture and not too much influenced by foreign elements. Outside of Santiago, this statement must be seriously modified so far as it deals with the economic life of the country. Valparaiso is very much of a world port, and the way foreigners are ensconced there, especially the British, reminds one of Constantinople in the old days. Smaller Chilean ports and the railroads linking them to nitrate-fields and mines in the northern desert have an un-Chilean air. Many of the large mining centers are more North American than South American.

The capital invested there, principally by British and American companies, has given to the nitrate *oficinas* and the copper mines an aspect strangely homelike to the traveler of Anglo-Saxon origin. The administrators and engineers are largely British and American, and in most instances they control the railways as a part of their plants. They have imported into the dreary desert of Chile alien houses and rolling stock and machinery—and ways of working and living. The Chilean Government gets the export taxes and mining dues from nitrate and copper to the extent of more than one half of the total revenue of the country, and Chilean laborers draw their wages. But the profits on capital invested go to foreign companies, and foreigners have from the very beginning been the moving spirits and directing heads of these enterprises that have made Chile wealthy.

Nineteen thirty will be the centenary year of the ex-

port of nitrates. In half a century the industry grew to over half a million tons. In the two decades from 1880 to 1900 this already considerable figure tripled. In the twentieth century Chilean nitrates have come into universal use as fertilizers. The producers carry on a world-wide educational propaganda, with an organization in the principal cities of the world, to induce the farmers to use nitrate of soda as a fertilizer. In 1927 over a million dollars was spent in this work. The demand has become truly world-wide, and nitrate export trade brings and keeps Chile in constant touch directly with every part of the globe. During the first fifty years of this remarkable industry the nitrate deposits were drawn from high above the sea inland as far as ninety miles, and were marketed at great cost by ingenious—and herculean—effort. It was the War of the Pacific that gave Chile virtually inexhaustible nitrate wealth within a few miles of the sea, tripling the annual output, and making the economic prosperity of the country and the revenues of the Government increasingly dependent upon this one source of wealth. The result has been that the northern provinces, inhabited by one eighth of the country's population and largely run by foreigners, have become the barometer of Chile's economic life.

This unhealthy and abnormal state of affairs has probably harmed as much as it has helped Chile. Shortly before the World War the Chilean Government faced a diminishing demand for nitrates in Europe and began a national policy of aiding the purchase of small lots of nitrate ground by Chileans to encourage competition and bring about eventually the nationalization of the industry. But embattled Europe during the next five years caused the industry to

prosper. After the war there was another slump. Stocks began to pile up in depots, and the companies shut down or diminished their activity. With no work in the nitrate-fields, the grievances of laborers began to disturb the political situation. There has been an improvement since then, but it readily will be seen that Chile is too much at the mercy of one industry—just like our own South with its cotton production. When there is a slump in the nitrate industry, railroads and shipping and banks are hard hit; and the disturbance quickly spreads to every other industry. Most serious of all, government revenues are likely to be cut down way below budget provisions, and there is no money to pay salaries.

Next to nitrates comes copper, which is found almost everywhere, but principally in the desert provinces. At the time of the American Civil War, Chile produced 60 per cent. of the world's copper. The birth of the electrical era caused copper to be mined everywhere in the world where it could be found. But Chile still remains an important copper exporting country, this source of wealth being second only to nitrates. The short haul to port has been an asset in Chilean copper production from the beginning.

Probably, also, it is because of the nearness of deposits to tide-water that Chile has become the principal coal-producing country of South America. Unfortunately this coal cannot be made into a good quality of coke, which has prevented the intensive mining of Chilean iron for steel making. But this coal—all of it near ports—is excellent for steamships and railroads, and thus enables Chile to avoid, like many another country, paying toll abroad for her transportation. Nearness to the sea makes the export of iron

ore commercially profitable. At Tofo, fourteen miles from Cruz Grande, it is estimated that the ore deposits reach one hundred million tons, which will yield nearly 70 per cent. iron. Under these conditions it is now possible for Americans to bring iron ore to plants at coast ports from Cruz Grande as cheaply as from Minnesota. The Bethlehem Steel Company recognized this fact, and it now controls the Tofo mines.

Only during the decade since the World War has Chile begun to emerge industrially from the spell of her nitrate monopoly, with its by-product, iodine. Up to 1918, 80 per cent. of Chilean exports were in these two commodities, and copper accounted for a considerable part of the balance. As Great Britain and Germany used most of these nitrates, the bulk of Chilean trade was with these two countries. Chile had very little trade with the United States, and in her own continent only Peru figured to any extent in her commercial relations. But since 1918 there has been a great change, partly due to the better communications up the west coast and with the United States through the opening of the Panama Canal and the World War increase in American shipping, and partly to the rail communications with Argentina and Bolivia. We remember that in the Spanish colonial days Peru depended upon Chile for foodstuffs. Why should not this trade be revived and extended to other countries? With the Panama Canal the New York market was as near to Chile in cost of transport as to California.[3] And Providence had

[3] After writing this chapter, we read in "The New York Herald Tribune," whose news service from South America is excellent, the following cable, dated Santiago, May 31, 1928: "Samples of Chilean products were carried aboard the steamship *Teno*, which sailed to-day. The samples will be left for exhibition in Costa Rica, Havana, and New York."

bestowed upon central Chile a garden country like that of California, and in the south grazing and timber lands whose possibilities were far beyond anything that had been attempted during the centuries that Chile had been in contact with the outside world.

The growth of agricultural exports since the World War, especially in fresh fruits, reads like a miracle. In 1919 Chile had only one market—and that a recent one—for its fruit. All but ten thousand of its three hundred and fifty thousand pounds went to Argentina. After the inauguration of President Alessandri in 1920 the first experimental shipment of fourteen thousand pounds was sent to the United States. Within a year we had taken nearly a hundred thousand pounds, and in 1921 the Chilean export of fresh fruit totaled more than 1,100,000 pounds. This trade has steadily increased until now the ranchers of central Chile are beginning to ask themselves whether their country cannot soon become a second California.

This is simply one instance of diversification of exports. The movement, first started by the lesson of the nitrate slump of 1920, is extending to other fields. Cereals are going to Peru and Brazil, and wool, frozen mutton, beans, and timber into world markets. The corollary of this greatly increased activity in agriculture is the rapid extension of manufacturing. Nearly a quarter of a billion dollars is now invested in several thousand factories, with an annual output exceeding the investment. Gas and electric plants, of course, account for a portion of this sum. But the Chileans are beginning to convert hides into leather with native tannin, wool into cloth for ready-made clothing, and foodstuffs into canned goods for the desert mining camps of the north. These industries are capable of

great development. Every year sees Chile cutting down in her purchases abroad on articles that she herself is becoming able to manufacture from her own raw materials.

One of the most interesting efforts of Chile to develop means of working over her own raw materials and creating labor opportunities in the country is the recent start made in building a smelting plant for native ore at tide-water. Instead of shipping the ore to the United States and buying it back in the finished steel product (thus paying for transport two ways as well as wages to workmen of other countries), the Chilean Government has encouraged a smelting company to build a steel plant at Corral. Private interests will raise $4,000,000, and the Chilean Government $3,000,000. In addition, the Chilean Government will invoke its right to purchase at a low price one hundred thousand tons of ore per annum from the Bethlehem Steel Company at Tofo. This right was fortunately reserved in the concession many years ago, but has never been exercised before. Chile has had neither the capital nor the coal up to now to begin her own steel making. The substitute for coal is electric power, brought from unlimited snows of the Andes not far away. This will be the first electric smelting plant in the Western Hemisphere.

Despite the narrowness of the country, and the ability to use the Pacific Ocean from one end of the country to the other, Chile has over six thousand miles of railway. Most of the lines running from the coast to the mines are privately owned, as is also the Chilean section of the line from Antofagasta to Bolivia. But the Chilean sections of the Arica-La Paz line and the Transandine Railway are government property, as well

as the great longitudinal inland railway from Valparaiso and Santiago to the south, and the line connecting these two cities with one another and with the Transandine junction at Llai-Llai. The government mileage is two thirds of the total and is steadily increasing. There is also an inland railroad north to the nitrate-fields. The nitrate revenues have enabled the Chilean Government to acquire existing private lines, to undertake new construction, and to maintain some services at a loss. The Chilean railway system was built primarily for strategic political purposes and not to produce revenue. It has proved an indispensable factor in keeping order in the nitrate-fields and mines, and in maintaining the undisputed ascendancy of Santiago over the whole country. Two more transandean lines, as we have seen in writing about Argentina, are in course of construction. They too will be government owned and operated.

Compulsory military service was established in September, 1900, at the time when relations with Argentina were strained. The law made all Chileans from the twentieth to the forty-fifth year liable to mobilization. But after the boundary dispute was settled, Chile cut down her military expenses in order to have money to improve the port of Valparaiso, and sold some of her navy to Great Britain. It was not long, however, before militarism again made itself felt. Peru had started to agitate once more for the return of Tacna-Arica. There was money in the treasury. In 1908 Chile decided to build a first-class battle-ship, which was approved by Congress in 1909, in addition to two destroyers and several submarines. For twenty years past the Chilean Ministry of Marine has made demands upon the Congress for building or acquiring new ves-

sels. But they never materialized. The Chilean navy has one former British battle-ship of twenty-eight thousand tons, two cruisers of the armored class, and three smaller cruisers. All the cruisers are thirty years old or more, and long ago would have been put out of commission by one of the larger powers. The army, on the other hand, is an efficient organization of nearly seventeen thousand, with artillery and aviation equipment not nearly so antiquated as the naval armaments. A British aviation mission was engaged after the war, and a British naval mission in 1925.

The Chileans have the reputation of being militaristic, and have been called the Prussians of South America. They are supposed to have blocked efforts at a Pan-American conference for a reduction of armaments. These charges have little basis in fact. Owing to her peculiar geographical structure, Chile needs a fairly large standing army for the proper policing of the country; and it is only reasonable that her naval armaments should seek to keep on a parity with those of Peru and, as nearly as possible, up to those of the much larger countries of Argentina and Brazil. The soldier-like qualities of the Chileans, in contrast to those of most Latin-American peoples, are due to climate and the Araucanian blood, not to a bellicose disposition.

Chile sent a financial commission to the United States in 1919, and retained Professor Kemmerer of Princeton as expert for financial reorganization in 1925. Through Mr. Kemmerer's efforts a national reserve bank was established, whose capital was oversubscribed. This has helped greatly. But there has been a deficit ever since the World War, and Chile has had to go more than once into the New York market for

a short-term loan to pay current salaries. President Ibáñez has drastically reduced expenditures, and he has increased the taxes on borax, mining companies, copper, inheritances, and income. The fall in expenditures since 1925 has been most encouraging. At the end of 1927 Chile virtually balanced her budget at 300,000,000 expenditures against a similar amount of revenues.[4] The United States has placed more money in Chile than in any other South American country, despite the recent development of our oil industries in Colombia and our very heavy loans to Argentina.

The best way to measure the influence of American finance in Chile is to compare the 1915 figures with those of 1927. At the end of the former year we had only $15,000,000 invested in Chile; at the end of 1927 we had nearly $500,000,000. Chile is second only to ourselves in the production of copper. American interests control 90 per cent. of the copper, including the largest copper mine in the world. We are heavy owners of nitrate securities, and we are developing Chile's iron ore. American banking and trading firms run textile and sugar mills and operate a chain of grocery stores. Our International Telephone and Telegraph Company has recently acquired the Chilean telephone system.

One drawback to progress in Chile is the backward state of the population in rural districts, where the peo-

[4] It must not be thought, however, that the soundness of Chilean finances, with consequent credit in foreign markets, is due wholly to recent changes. Chile's natural wealth and the character of her people have always recommended themselves to investors. In her "Bankers in Bolivia," Miss Marsh reminds us that Chile has secured pound sterling loans five times since 1892 while 5 per cent. and 6 per cent. bonds were still on the market; and that in the autumn of 1926 she obtained a 6 per cent. loan in New York while the 8 per cent. dollar loan of 1921 and the 7 per cent. of 1922 still had an active sale.

ple, in large part mestizos, live under almost feudal obligations to serve wealthy landlords. One does not have to go far out of Santiago to run into villages of adobe huts, where the people are as wretched, from our point of view, as in Mexico or parts of southeastern Europe. Only education and the passage of agrarian legislation can remedy the condition of the *rotos* on agricultural lands, and those who are laborers in nitrate and copper camps. The Chilean Government has taken steps to better the conditions of miners, implying that the foreign corporations need watching; but the Government would do well also to make efforts to improve the lot of *rotos* at the mercy of rich and often absentee *hacienderos*.

While Chile has not conquered illiteracy as successfully as Argentina, and is a little behind Uruguay, yet she stands with those two countries as a nation of people who know how to read and write and most of whom have gone to school. This can be said of no other South American republics. Chile has made a splendid start in social legislation. The Labor Bureau has been working for over twenty years, and in 1922 it had become a large organization, modeled after the United States Labor Bureau and supported wholly by the Government. Chile was the first Latin-American country to ratify the International Labor Convention of the League of Nations, and to appoint a delegate to Geneva. On the statute books—and fairly well enforced—are the eight-hour day, the protection of motherhood, prohibition of young child labor and of night work for women and children, accident insurance, including farm hands; right of association, and weekly rest. A labor contract law, passed in September, 1924, while recognizing the right of collective bar-

gaining, forbade strikes. Church and state were separated in 1925, and in 1927 priests were removed from government positions. All government-supported schools are secular, including the universities.

And now Chile seems to be affected by our anti-alcohol crusade. The first law to limit extension of wine-producing lands (Chilean wines are good!) was introduced in 1922. It was quickly followed by a stubbornly opposed project to prevent the sale of alcohol in various zones of the republic. Ibáñez, however, put through this prohibition law to curb drunkenness among the workers of the nitrate-fields and copper-mines. In 1928 Chile has joined the countries that recognize the necessity of seriously restricting the production and sale of alcohol.

We know of no country whose people can be given credit for making more of their talents than the people of Chile. If we seek to interpret her history as it should be interpreted, and to study her problems sympathetically, there can be no doubt of the future friendship existing between Chile and the United States. We have much in common already: and we shall have more in common in the course of the next generation.

CHAPTER VII

PERU

PERU has always been a name to conjure with. In literature it stands as the Western Hemisphere's synonym for Asia's "wealth of Ormus and of Ind." Inexhaustible treasure-house—or supposed to be —Peru called forth the greatest efforts made by Spain in the foundation of her overseas empire. The first of the European powers which, in modern times, attempted to dominate Europe, and was thwarted by English sailors, drew its financial strength from the Andes. To the early explorers the Far East meant silks and spices: America meant gold and silver. In the sixteenth century South America bid fair for a time to become the Spanish Main, in the archaic sense of that word. Had Spain's mastery of the seas been undisputed, modern world history might have followed a different course. England cut off the stream of gold. The Spanish giant, nerveless, became impotent. European blood and ideas and a Latin language had become established in the New World, but never in such a way as to make possible the realization of the Iberian dream of domination on both sides of the Atlantic.

Peru was at the heart of the scheme. Peru was its inspiration. Prescott left us the story of the conquest of the Incas by Pizarro, who reached Peru in 1531. The Spanish gold-seekers found an empire, with a high

degree of civilization by the standards of their day, which had been developing for several centuries in the Andes from Colombia to northern Chile and Argentina. Its *foyer* and its sources of wealth were high up in the mountains of southern Peru and Bolivia, centered around Cuzco and Lake Titicaca. The conqueror founded his capital at Lima, seven miles from the Pacific, in 1535. Nine years later the first viceroy arrived from Spain, with jurisdiction over "the entire continent of South America."

Madrid knew little of what this meant; and never did fully realize the nature and extent of the territories claimed in so lordly a fashion. Part of the continent had to be yielded to Portugal. What the expeditions that set forth from Lima for three centuries did accomplish, however, is little short of miraculous, when we consider the barriers and difficulties of penetration and lines of communication that still exist after four centuries of European activity in this continent. Enterprise and daring are two qualities that have never been lacking in Spanish character. That all of South America except Brazil is still known as Spanish America rightly perpetuates the memory of countless bands of adventurers who found their way north and south along the Andes to Bogotá and Santiago, and who braved the unknown waters and jungles of the Orinoco, the Amazon, the Paraguay, and the Paraná, infested with fevers, savages, and wild animals. In the course of time the viceroy at Lima was able to send his orders to governors and garrisons in New Granada, Panama, and Venezuela; to found an outpost of first importance at Asuncion; and to establish European colonies in the provinces of La Plata and in Chile.

Studying the history of South America during the colonial period, when Peru was the center of Spanish rule, one feels as he does before the massive stone at Baalbek in Syria. Other generations, other centuries, have managed to do what we, with all our modern knowledge, would not dare to attempt. What a driving force there was in that curious mélange of motives—lust of gold, lure of adventure, love of souls! Greed had its magnificent courage, the challenge of the unknown its end of the rainbow vision, and missionary zeal its persistence unto death. The pages written in history by and of Peru are as fascinating as any we have: they form a "Bridge of San Luis Rey" speculation on a grand scale.

Lima was the first European city in the Western Hemisphere. One is tempted to assert that it remains the only truly European city. Old Quebec is lost in the encroachments of the twentieth century. Bogotá and Quito are aboriginally American. The other older cities of the two continents and the West Indies are impregnated with the flavor of a later period of a Europe which accommodated itself to and underwent the influences of the new local environment. To Lima, on the contrary, clings the ineffaceable atmosphere of the grandees and soldiers of fortune of sixteenth-century Spain, with their folly and their glory. One lands at Callao, after a monotonous trip along one of the dreariest coasts in the world. Half an hour over a sun-baked plain, and one is in the single spot in the New World where the spirit of the ancient founders proclaims, *"J'y suis, j'y reste."* Public buildings of exquisite grace that no truly transplanted Europe has ever been able to achieve, streets overhung with wood-carved balconies, plazas church-flanked that carry you

back to the Mediterranean, pigeons, and people who fit into the picture—this is Lima.

The capital of Peru offers the tourist a vision of Europe just after the Renaissance. Up in the highlands are to be seen the remains of an indigenous American civilization. Is there anywhere else in America where one can pass in review nine centuries of organized political and social life?

In Peru Spanish rule began; and here it ended. From the north and from the south, as we have seen in earlier chapters, came the armies of Bolivar and San Martin, Venezuelans, Colombians, Ecuadorians, Argentines, and Chileans. Peruvians and Bolivians cooperated in the uprising. A Chilean fleet under Lord Cochran kept away reinforcements from Spain. San Martin's army entered Lima on July 9, 1821, and independence was proclaimed on July 28. It was not until 1824, however, that the last pitched battle between royalists and revolutionaries sealed Spain's fate in South America. This, too, was on Peruvian soil, at Ayacucho.

From the beginning Peru dissociated herself from the fortunes of New Granada, Chile, and the provinces of La Plata. Her Spanish-speaking neighbors, Bolivia, Ecuador, and Colombia, quickly attained nationhood also. Their rights to independent life Peru never disputed. But it took a century to establish the boundaries. All the South American countries have had to arrive at the settlement of their territorial limits by long and tortuous processes, bringing them frequently to the verge of war with their neighbors. Peru has probably had more of this sort of thing than any other independent state that arose on the ruins of the Spanish colonial system. In the north she has been lucky; in the south, unlucky. Causes of friction are still serious.

The reason for the boundary quarrels which have poisoned international relations in South America is that there never have been any legal or definite historical grounds upon which to rest claims. At the time of the expulsion of the Spanish officials, little, if anything, was known about the limits of administrative control. The heirs of Spain had nothing to go upon, not even a map. Surveys were lacking. No treaties or agreements had ever been made which would have force in international law. The new states were merely names. They did not cover definitely fixed geographical regions. One area famously disputed between Colombia and Venezuela went right up to the coast, in a region that was very well known. Most of the difficulties, however, grew out of unexplored interior regions, and did not arise and become acute until economic considerations intervened and rival settlers clashed and appealed to their home governments. This we have seen in the boundary dispute between Chile and Argentina.

The trouble with Chile was due to unfulfilled provisions in a treaty following an unsuccessful war. Of this we speak elsewhere in detail. The question is as yet unsettled, and it involves Bolivia.

The chief element in the controversy over the Bolivian frontier was a lack of knowledge of the country concerned, and the northern part of the disputed territory involved also Brazil. At the beginning of the present century, after a temporary arrangement had been made in regard to the Acre territory with Brazil, Peru and Bolivia got together and agreed to submit the question to arbitration. The award of the President of Argentina was unsatisfactory. A commission of British officers attempted to survey the unknown country involved and draw the frontier. While

they were still engaged in this work, in December, 1910, it was reported at Lima that Bolivian troops had surprised and slain a Peruvian garrison. Peru, which had already broken off relations with Chile over Tacna and Arica and was preparing for a war with Ecuador, again referred the Bolivian frontier to an arbiter, this time the Royal Geographical Society of London. The award was accepted shortly before the World War. But in 1927 there was still a difference of opinion as to the exact line.

The boundary conflict with Brazil covered a vast region of the headwaters of Amazon tributaries, and it was complicated by Bolivian, Ecuadorian, and Colombian counter-claims. As early as 1876 Brazil and Peru had signed a general boundary agreement in which certain physical features were accepted by both as delimiting their frontiers. But this treaty meant little or nothing when it came to applying it.

The Acre territory dispute with Brazil became acute in 1902. It was referred to the arbitration of Argentina. Two years later Peru and Brazil nearly came to blows over the ownership of the Sierra, which embraced immense tracts of forest land to which none of the bordering states had established any title. The Sierra was more important to Peru than to Brazil, because her deep water Amazon outlet from Iquitos passed through a portion of the region and near the rest of it. And Brazil already had more rubber and other forest products than she could develop. As far as Brazil was concerned, the Peruvian frontier, up to the point where Colombian counter-claims began, was settled without great difficulty and on the whole favorably to Peru. But when Colombia and Peru concluded a boundary treaty in 1922, Brazil formally protested.

The work of delimitation of the Brazilian-Peruvian boundary had not yet been completed. In 1925, through the good offices of Secretary Hughes, Brazil finally withdrew her objections, thus opening the way to a definite drawing of boundaries in the interior of equatorial South America.

Peru's frontiers with Ecuador and Colombia involved a much larger region, and the question had been raised first in the very year of Ecuador's independence, when the Colombian Federation was dissolved at the death of Bolivar. The great Ucayali River runs from south to north in eastern Peru, and in the north is joined by the Marañon River, running from west to east. Then the two rivers form a navigable waterway for large ships for two thousand miles through the Amazon to the Atlantic. Peru saw very early the great importance of this region, and occupied it administratively in 1840. But Ecuador declared that this was an integral part of "the Ecuadorian fatherland," invoking the fact that the Comandancia de Maynas, as the region was known in Spanish colonial days depended upon Quito. Peru answered that it had always been in the religious jurisdiction of the Archbishop of Lima. Because it had once depended upon Santa Fé, Colombia thought it ought to go to her, especially after rubber was discovered. Some of the tributaries of the Amazon, to boot, had their source in the Colombian Andes and traverse this region. In the first decade of the present century, after Peru and Ecuador and Colombia had agreed to submit to his arbitration, King Alfonso sent a commission to the disputed area. Its recommendations were not satisfactory to Ecuador, and Peru's little neighbor, owing to the troubles with Chile, Bolivia, and Colombia that

threatened Peru at the same time, seriously thought of war in 1910. In 1923 Ecuador once more agreed to arbitration at Washington.

In 1911 there was a risk of conflict with Colombia over the same region. Colombia finally sent troops into the Putumayo. After more than a decade of discussion, Colombia's attention was drawn from the Amazon forests by her good fortune in oil. Wanting to liquidate the Peruvian quarrel, she concluded a treaty favorable to Peru in March, 1922. When Brazil's objections were withdrawn in 1925, this treaty was ratified. Peru, Colombia, and Brazil reached a final agreement in 1928.

Peru had the honor of counting General Bolivar as her first ruler. The Colombian troops, which he had so brilliantly commanded, finally left the country to itself, after his own withdrawal, in 1827. For nearly twenty years three picturesque lieutenants of Bolivar in the war of independence fought among themselves for the supreme power. Gamarra was of Spanish stock, Salaverry a pure Basque, and Santa Cruz an Indian of Inca descent. Santa Cruz for several years succeeded in uniting Peru and Bolivia, thus realizing an atavistic dream. But the country did not progress in political unity. There were three constitutions in ten years.

Followed a decade of dictatorship under General Castilla, who built the first railroad and established the first steamship services. He and his successors began to capitalize the increasing revenues from guano and nitrate to execute public works, and to develop intensively the resources of the country. Chinese immigration was encouraged for a time, but when sixty thousand of them had come, there was the inevitable

reaction of the Occidental instinct, and restriction was practised.

Peru suffered a terrible blow, from which she seems not yet to have fully recovered, through the loss of the nitrate province of Tarapacá, and the protecting territories of Tacna and Arica, to Chile.

There was armed resistance to the treaty, and it was not until 1886 that a regular election could be held. The Tacna-Arica question and frontier disputes entered into internal politics, and were the cause of several revolutions, some on an extensive scale, until Señor Augusto B. Leguia became president on September 24, 1908. During his four years he set a new example for the emulation of Peruvian statesmen. Autocratic but exceedingly efficient, he put a different spirit into the administration of affairs. But his successor, although imbued with the same ideals of efficient public service, did not have either the acumen or the decisiveness of character of his predecessor. Señor Billinghurst believed that there would be no real political reform in Peru until the ring of governing families which had control of all the functions of government was broken. This, he felt, would be the first step toward the new era for Peru. It was what Balmaceda had done in Chile in 1891.

The privileged classes were not disposed to let the president have his way. There was a sudden uprising at Lima on February 4, 1914. Billinghurst was made prisoner in his palace. His premier and minister of war, General Farela, hurried to the Santa Catalina arsenal, where he appeared before the troops and ordered them to put down the revolution. They shot him. Others were killed. Billinghurst was thrown into prison, being led to jail while the political prisoners

he had incarcerated were leaving it. After a fortnight the successful revolutionaries took Billinghurst and his son and one of his ministers, who had been "an evil counselor," in their opinion, out of prison and hurried them to Callao. At first it was feared that they had been assassinated. Later it was learned that the deposed president had been put on a cruiser whose commander had orders to land him anywhere outside Peru.

Roberto Leguia, the first vice-president, claimed the succession, although he had done nothing to bring about the vacancy. Former President Leguia sent a cable from London favoring Roberto. On May 18 a majority of Congress met at Leguia's house and accepted his oath as president. It was a legal quorum. But the junta claimed that Colonel Benavides had been elected by Congress. When this election was eventually confirmed by the courts, Benavides became president of Peru. As a matter of fact, he depended upon the popularity in the army of those who had overthrown Billinghurst. This he did not like. He was none too anxious to occupy so insecure a position, especially with the hostility of the Leguias. So he ordered a general election and did not run himself.

Leguia's predecessor, Dr. Pardo, the president from 1904 to 1908, who had almost been assassinated, was unopposed. Dr. Pardo had the privilege of ruling throughout the World War and the Peace Conference. But at the end of his term he got into trouble with Augusto Leguia, who ousted him in a bloodless *coup d'état*. In the presidential election Leguia had run on an independent ticket against Pardo's candidate. Leguia got about four fifths of the votes. But the Government endeavored first to conceal the result, and then to

falsify the figures. Everybody thought that Leguia was elected. As weeks dragged on and the result was not announced, public opinion became excited. Leguia's popularity enabled him to decide the issue for himself. On July 4, 1919, he seized and imprisoned the president, sent him into exile, and declared that he had been elected, which was undoubtedly the fact. Since that time Leguia has been the dictator of Peru, and, one might add, an exceedingly popular one.

President Leguia promptly gave Peru a new constitution. Adopted on January 18, 1920, it added one year to the presidential term. The Senate of thirty-five members and the House of Representatives of one hundred and ten, elected by direct vote, are renewed totally every five years. A new organic law outlined the departmental and provincial electoral districts, with the number of senators and deputies allotted to each of them. A cabinet of seven ministers was provided for, appointed by the president and directly responsible to him, as in the United States. It was impossible to place the apportionment of legislative seats on the basis of population. That would have been only guesswork in many districts.

For ten years Leguia has held undisputed sway in Peru. He remodeled the constitution in 1923 to permit his reëlection to the presidency. This was popularly approved. But the politicians made a last desperate effort to restore the old régime, of government by a clique, which had been the heritage of Spanish days. A former premier attempted a *coup d'état* in November. It failed because the authorities had been warned. Leguia took this occasion to deprive all his opponents of arms and bombs by a rigorous search of their homes and haunts. He confiscated and burned the

proclamations they had ready in protest against "the dictator." He drew up a list of all who were more conveniently out of the way, and had them deported from the country. Since then there has been no revolution, and Leguia's reëlection in 1924 was unanimous. Having downed the politicians, the Mussolini of Peru has thrown himself into a program of reforms and internal development which, in the opinion of many, justifies his strong hand. His great problems are the character of the population, its lack of education, and the extraordinary configuration of the country.

There has been no official census since 1876, when a little over two and a half millions were counted. It is believed that the population has doubled in forty years. This is the official belief, voiced in governmental estimates. We are told by competent observers that it can hardly be true. Immigration has been slight, and the city population of European stock does not multiply rapidly; nor do the mestizos. But there is general agreement over the comparative strength of the various elements: less than 15 per cent. for the pure whites, as in Bolivia; 25 per cent. mestizos, 2 per cent. negroes, 2 per cent. Chinese, and nearly 60 per cent. pure Indian. As in Bolivia, the population is essentially Indian in blood and character, and the real numerical strength of the Indian element is not definitely known. The uncivilized tribes have never been even approximately estimated. Over some of them Lima's administrative control is less established and acknowledged than that of London and Brussels over the negroes of Nigeria and the Congo. Most of the white population is concentrated in Lima and Callao, with a preponderance in several other ports. Arequipa is the only interior city with a population of over

50,000. Cuzco, the fourth largest city, and one of the oldest cities in the world, has less than 40,000.

The Universidad de San Marcos, founded by Charles V in 1551, is the mother of higher institutions of learning in the Western Hemisphere. A second university was established at Arequipa in the first decade of independence. Leguia added two other universities in 1924, at Cuzco and Trujillo; and he created a group of technical schools in 1921.[1] Seven years ago the dictator made the momentous announcement that elementary education was now free and compulsory from the age of seven to fourteen throughout Peru. The church had been disestablished in 1915; and these schools were to be secular. But there were neither teachers nor funds. In June, 1928, scarcely 50,000 pupils—less than 5 per cent. of the children of school age—were regularly enrolled in government schools. In a country whose population is 80 per cent. illiterate, this is not a good showing. Now that the church has relinquished in part its teaching functions, it has not appeared that illiteracy is being combated much more vigorously than in Bolivia.

We have given these figures in detail because Peru claims parity with Chile and Argentina as one of the "big three" of Spanish-American republics. But the lack of educational facilities, not to speak of the slight number of pupils (1 per cent. of the population) availing themselves of the opportunity to learn to read and write at government expense, reveals the weakness of this country in comparison with the other two with

[1] During the first five months of 1928 there was a complete reorganization of the educational system of the universities, during which they were closed. President Leguia and his cabinet attended the reopening of San Marcos on May 31.

which she assumes equality. There is a steadily increasing primary and secondary school attendance in Chile and Argentina, most of whose people can read. Peru has a long way to go before she can be linked with her neighbors in the south. Argentina and Chile are ready for the experiment of representative institutions, including universal suffrage. Peru is not. As things now stand, President Leguia would have to win the support of certain leading families, and keep it, in order to be a truly constitutional president. Never having accomplished that *sine qua non* of ruling in coöperation with a legislative body and public opinion, Leguia is a dictator.

It would be unfair to the Peruvians, however, to omit mention of the high degree of culture and the distinction in letters and research which mark the educated classes. Your Peruvian of the governing class takes you off your feet by his wide range of knowledge, his keen mental equipment, his enthusiasm for the arts and sciences, and his evidently high standards of cultural values. In common with the nationals of other Latin-American countries, he is by no means at a disadvantage in company with the Anglo-Saxon of official circles. Frequently he makes the American business man, no matter what university diploma the latter possesses, seem rather crude. These Latin-Americans are not only highly educated—they are well educated. It is no veneer but an expression of their real selves when they talk to you about history, government, philosophy, literature, music, and the pure sciences. As far as *salons* go, you can do as well in Lima as anywhere we know. It is not a borrowed atmosphere, or one artificially created and maintained with effort. And when your Peruvian goes to Wash-

ington or London or Paris or Vienna, he is thoroughly at home. In this respect Peru can claim a place among the more important nations. Her sons and daughters have contributed, and are contributing now more than ever, to the world's general store of knowledge and to its esthetic progress. In cultural attainments the Peruvians of the upper classes have the right to speak of their country with the A.B.C. powers, and not with Bolivia and Paraguay, the other two states of overwhelming Indian population. And yet, they are so few, the educated![2] Refinement is not a corollary of political ability.

Our reading of Latin-American history causes us to be disgusted with or despair of nations whose political life is so unstable. And we are more inclined to be amused about it than excited over it. "Not the same breed of pups as ourselves," we say when we hear of a man like Leguia, whose illegalities would have brought him to the gallows, or have landed him in prison instead of elevating him to supreme authority, had he lived in "an Anglo-Saxon country." What we need is a spirit of open-mindedness, of understanding, of tolerant sympathy, of interested hopefulness, when we see a man like Augusto Leguia at his job in Peru. Think what he has to contend with, what he has to work with!

The habits of the civilized world demand of all nations that want to be in the family the semblance at

[2] There can be no better proof of the backwardness of the Peruvians as a whole, in comparison with the population of Chile, than the figures of per capita imports. The Chileans buy four times as much per capita as the Peruvians. The creation of needs that can only be satisfied by the purchase of articles of European or American manufacture comes only through education with its accompanying "high standard of living" as we understand that term.

least of democratic institutions. The "will of the people" must be supreme, we say. Elections must be fair. Presidents shall not usurp office by violence. Else we cannot recognize them, or we shall put their house in order for them. Ought we not to consider what an executive has to face in a country the vast majority of whose population is hardly more than out of slavery, and whose landed and wealthy class has never had experience with democracy or been accustomed to public responsibility? In Peru tradition and social heritage have conspired to make the problem even more difficult than elsewhere in Latin America. The Incas were an aristocracy, as were the Spanish. The leaders of independent Peru, few in number and representing a small element of the population, were plunged into erecting a form of government which, honestly undertaken, could not have succeeded. During a hundred years these leaders have ruled over a country whose total population is less than that of New York city—a country of desert, of mountains, of impassable jungle. Granted such conditions, could any American statesman act differently from Leguia and do better than Leguia?

We have spoken of racial elements, and the ignorance of the masses. Topography adds its burden. Peru is divided into three zones—the lowlands, from twenty to one hundred and twenty miles wide and mostly desert, between the Pacific Ocean and the foothills of the Andes; the mountain ranges and plateaus, with their fertile valleys, from four thousand to fourteen thousand feet, taking one from the tropics to colds and winds and snow; the great eastern region, still partly unexplored, sloping down from the eastern range of the Andes to the tributaries and upper valleys

of the Amazon. There is little rain in the first zone; none at all in the southern half. The mountain zone has a fairly good rainfall, but is not without its dry spots. The Amazon zone has a heavy rainfall and is covered with dense forests. The parallel ranges of the Andes, whose peaks reach twenty thousand feet, cut the country in two. The mountain barrier is as formidable as that of Bolivia.

All the other countries on the west coast of South America have their capital up on a mountain plateau, in the heart of the region where people of European stock and the more vigorous Indians thrive and where the mineral and agricultural wealth of the country can be best developed. The forest wealth of Bolivia, Ecuador, and Colombia is scarcely more accessible: but at least the seat of government is nearer. Lima is only seven miles from the coast. To reach the next largest cities, Arequipa and Cuzco, it is necessary to take a steamer from Callao to Mollendo, and go over the railroad that climbs the mountains there. This is the route to Lake Titicaca, La Paz, and Buenos Aires. The Andean railway behind Lima goes only over the mountains to Oroya. Peru has no coast railway. The capital has to depend upon steamers north and south to reach the ports, from some of which small lines climb up into the hills. The Montaña, as the forest region east of the Andes is called, is in another world from the narrow coast region of Peru. There is crying need for a road from the railhead of the Central Peruvian Railway at Cerro de Pasco to the Ucayali, a navigable tributary of the Amazon. Only in this way will Lima have her connection with the Montaña through Oroya. But the realization of this project, the first step in contact with the interior, would mean a railhead still a thousand

miles from Iquitos, Peru's lumber and rubber port, with deep-water outlet to the Atlantic.

How does a merchant or a government official get from one part of Peru to another? The answer is that mostly he doesn't go. If he has to go, time and distance are no object. Peruvians depend on the coast steamers, which stop at every little port. Foreigners have to know these ports. Whichever way they go away from Callao, they find that they are still in Peru after several days. They have come to know Pisco, Mollendo, and Ilo, or Salaverry, Paita, and Talora. There are some small railways to interior points, and if you do have to go inland, an inevitable wait ensues to get a steamer back.

From Lima to Iquitos furnishes a greater problem than to run over to Moscow to see what the Bolsheviki are doing. The Iquitos-bound Peruvian has his choice of going to Valparaiso, across to Buenos Aires, up to Rio de Janeiro, and then to Pará. He has already spent about three weeks, and he has still ahead of him the 2300 mile journey up the Amazon. Or he will save time by taking a steamer to England or France and back to Pará. Work it out for yourself on a time-table. And when you are at Iquitos you are still a long way from the rubber region or from the first shipping points of Peruvian bark. In regions larger than the State of New York the only means of communication is by canoe, Indian-propelled. A part at least of tropical Bolivia is near the Argentine railroad or Corumba on the Paraguay. But none of eastern Peru is near any outlet except Iquitos, two weeks inland from the Atlantic Ocean. Probably Iquitos holds a unique place among the ports of the world for remoteness. There is no other continent which an ocean steamer can penetrate

RAILROADS OF SOUTH AMERICA IN 1928

so far into the interior that you are almost at the other side.

Valiant feats of engineering and financing have given Peru what railways she has. The road from Lima to Oroya is the highest standard-gage railway in the world, climbing nearly 16,000 feet. From Mollendo to Arequipa, which was founded by Pizarro in 1540, and is only a hundred miles from the coast, your train ascends nearly three miles. These figures seem incredible. There is nothing in the United States or Europe in the way of topographical barriers to call forth an engineering effort such as has been made in Peru. What has been accomplished in climbing the Andes in Ecuador, Bolivia, and Chile is only a little less remarkable. Human nature accepts challenges, and even bankers do not stand in the way! We have paid our tribute in this chapter to the Spanish conquistadores, whose intrepidity is the marvel of the ages. Let us remember also the railway builders, British and American, and the financiers through whose faith they were able to put the projects through. Our Rockies and Europe's Alps are the highways between rich and populous regions. Money spent in their tunnels and viaducts and grades was sure to come back. The Andes, except from Chile, lead only into countries of to-morrow with yesterday's population, scant in numbers and economically backward.

To make matters worse, the ports are not really ports at all. They are just stopping-places along an inhospitable coast. Much has been done at Callao, the only natural harbor—if it can be called that—in nearly four hundred years. This, too, has required European capital. But a breakwater is necessary. At all other Peruvian ports the ships just cast anchor, if the

weather will permit, without even the protection of a breakwater. Large vessels cannot come near Ilo because of blind breakers; Salaverry is a rough port; you are not sure of getting ashore at Paita. But the most important of all, Mollendo, terminus of the Southern Railway, is the roughest of all. You must land in a small boat, often having to prove yourself a good acrobat; and freights are lightered. Mollendo might be made into a passable harbor. But the expense would be more stupendous even than in the building of the mountain railways and roads.

Added to its inhospitality to the mariner, the Peruvian coast also lacks fertility. It is a continuation of the desert beginning north of Valparaiso and extending to Guayaquil. The lack of rain makes it bare sand and rock. The desolation of this spectacle, as seen day after day from the deck of the steamer, is all the more impressed upon one by the occasional contrast of a green strip of a river valley. The Incas used their mountain snows and streams, sometimes even diverting them westward, for irrigation. Remains of their canals and ditches are still plentiful. But the Spanish were after gold. They lost the habit of agriculture in the colonial days, and their raids upon the native population for mine-workers and burden-bearers caused the country between the mountains and the Pacific soon to lose all its population. With irrigation, a transformation of Peru is possible. Much has already been done around Lima. Last year President Leguia said, in speaking of the small experiments in irrigation: "We shall go on until we have transformed our 1200 miles of coastal desert into fields of sugar and cotton."

Sugar and cotton are already the most notable of Peru's exports, and there is no doubt that a tremen-

dous increase in production is possible through irrigation. But laborers are needed. Immigration must go hand in hand with irrigation. Everybody is talking cotton in Peru, and dreams of the wealth to come. With water the land becomes as rich as the banks of the Nile. But with all the show of activity, Peru is producing in 1928 less than 1 per cent. of the world's cotton supply. Sugar-cane thrives with irrigation, and Peru has reached the first rank of sugar-exporting South American countries. Most of the trade is with Chile. There is an enormous amount of coal in fourteen different districts of Peru. High grade bituminous and anthracite, in fact, have been found everywhere. Without transportation this wealth is not wealth, especially as Peru is neither a manufacturing nor a smelting country, and needs no fuel for home consumption. The Indians of the mountains shear alpacas and llamas; and the export of wool is considerable.

In the forest country are rubber, coca leaves and cinchona bark. Peruvian gold was never more famous and never had more influence in the world than the drugs derived from these two forest products, peculiar to Peru. From coca (which is found also in Bolivia) comes cocaine. Indians chew the leaves, and stupefy themselves so they will not feel pain. It gives a sort of drowsy elation that enables them to bear the cold of mountain trails and do a tremendous amount of work. From cinchona comes quinine, antidote for the fevers prevalent in the country of its origin. The vast stretches of forest country could grow every tropical crop. But there are only savage Indian tribes there.

The effort to develop the rubber industry as a source of revenue was one of the principal motives of the great interest taken by Peruvian statesmen in their

northeastern frontier. Rubber seeking led the Peruvians into the Putumayo region and into decades of border quarrels and diplomatic disputes with Colombia. It was in this region that the Peruvian Amazon Company, Limited, attained notoriety. Sir Roger Casement, whose Congo revelations had led the British Government to make representations to Belgium, was consul in Peru in 1912. His report confirmed the facts brought out earlier, which had been denied by the Peruvian Government. Casement discovered that this company, whose shareholders and directors were British, had brought over negroes from the Barbados as overseers and policemen, and that these imported negroes, more or less under compulsion, had been barbarous to Indians who failed to satisfy the quota set by the company's agents.

It was the Congo over again—same motives for cruelty, same acts of cruelty. The story of frequent barbarities, of flogging, of torture, of murder, were investigated by Sir Roger Casement, who was satisfied that they were true. The agitation in England was great. A select committee of the House of Commons was appointed to decide the responsibility of the directors of the British company. Another British consul was sent to the region. He went through the area disputed with Colombia, but could gather no evidence of cruelties in the region worked by the Peruvian Amazon Company. He believed, however, that the Peruvian Government was faulty in its supervision of minor officials, and had made no real effort to bring to book the two hundred and thirty-seven persons for whom warrants had been issued after the production of overwhelming testimony against them.

The House of Commons committee went thoroughly

into the evidence, and reported that many of the principal officials of the Peruvian Amazon Company, Limited, "were unquestionably guilty of the most revolting atrocities against the Indians—murder, torture, and constant floggings of the vilest nature, and other acts of unspeakable cruelty. These cases are not isolated, but are part of a system." The committee expressed conviction that Señor Arana and the other partners had knowledge of and were responsible for the atrocities, despite Arana's denial. It is probable that he had not told the British directors, but these were guilty none the less of negligence. The committee believed that they should have known and put a stop to practices that had been exposed as early as 1909 in the press, but they could not be prosecuted because they had not made themselves individually parties to any overt act.

The Putumayo scandal reveals the inevitable tendency to shocking cruelty of the white man when he comes into contact with primitive peoples. Psychologically, it is of interest to know that the white men charged with supervising the gathering of rubber in Africa and South America, when far away from the control and sense of decency of their fellow-men, acted in the same way. The Belgians tortured African negroes: the Peruvians American Indians. They tried to get all the rubber they could, and did not stop at anything to collect it. It is always that way in remote regions. The Arana company went into liquidation. Since then the competition of East Indian plantation-grown rubber has caused the Amazon wild rubber industry temporarily to languish.

Curiously enough, Peru has suffered more than any other South American republic in losing in vari-

ous ways her principal sources of revenue. After the war of independence, most of the gold and silver and all of the tin went to independent Bolivia. During the nineteenth century two great articles of export, which produced most of the revenue, were the deposits of birds on islands and islets off the coast, and the nitrates of the southern desert. In the War of the Pacific, by annexing Tarapacá, Chile took all of the nitrates and, by retaining Tacna and Arica, some of the more important guano deposits. The United States acted in a friendly way in backing Peru's title to the Lobos Islands. But for nearly half a century we prosecuted remorselessly a claim of a naturalized Frenchman to guano royalties, and finally got Peru to pay in 1923. Sixty years' work went into getting title to rubber territory, only to have the scandal break and the market slip away. To-day there isn't really any one raw material or agricultural product for which the world has to look to Peru. Petroleum production is increasing rapidly in the region of Talara, where some of the wells are under sea. But oil is nothing like the bonanza for Peru that it has proved to be in recent years for Colombia and Venezuela.

Peru's financial difficulties have been largely due to a lack of great revenue-producing sources such as her southern neighbors and the Caribbean South American republics enjoy. The building of the railways has compelled the country to send interest to European bondholders. When the service of the external debt was threatened, an agreement was signed at Lima on June 21, 1907, by which the Government promised to pay to the bondholders thirty annuities of 80,000 pounds, in monthly instalments, with the sugar export duties as guarantees. In 1913, President Billinghurst

sent a message to Congress, analyzing the financial situation of the country. This statement of financial facts, translated into English, appeared as a three-page advertisement in "The London Times" of October 23, 1913. The final paragraph declared that "Peru must have recourse to a foreign loan if she proposed to regularize her finances and remove the difficulties, artificial rather than natural, which hampered her progress." The Government regarded as "absolutely indispensable" a loan of $33,000,000 at 6 per cent. But the President observed that the issue would "nevertheless never place Peru in the position to intervene successfully in the dynamics of the American world, unless her finances were reformed and the deficit and superfluous expenses suppressed forever by a régime of the severest economy."

We remember what happened to Billinghurst a few months later. But the significant point about this unusual advertisement for a loan was that it was addressed to the London market. The control of the railways was in British hands, and the Peruvian Corporation, Limited, was the most powerful foreign influence in Peru before the World War. Things have changed. In 1920 President Leguia made a contract with the Foundation Company of New York to execute his sanitary program in thirty cities for approximately $50,000,000. He stipulated the erection of modern water systems, the construction of sewers, the laying of pavements, and the macadamizing of roads. Lima got her water and sewer system, street paving, and a cement road to Callao. The Foundation Company formed the Peruvian Portland Cement Company, a great refrigerating plant, and even a country club with a golf course! Then it established the Peruvian

and Foreign Investment and Trust Company, and the Banco Industrial del Peru. A great modern hotel was also started. Leguia intrusted to the Foundation Company an interesting sanitary project. Deeply moved by the ease with which yellow fever had been eliminated from near-by Guayaquil, he asked the American corporation to rebuild Paita in such a way as to wipe out yellow fever.

Since the World War American activity has shown itself in every field of business effort in Peru. Building and mining and banking and oil exploitation are only part of the picture. Our capital, largely under the direction of Americans, is interested in sugar and cotton mills and a network of trading houses. In 1927 American banks loaned the country $50,000,000 for refunding. It is estimated that $200,000,000 of American money is at work in Peru in 1928. There is no one outstanding and dominant industry or source of wealth. The American money goes for all purposes. For this reason, although we have much larger interests in some of the other South American republics, nowhere is the influence of our activities so widely and beneficially felt.

President Leguia's great cares of the last year of his presidency are: road building, irrigation, improved sanitation to eradicate yellow fever and plagues, and the encouragement of aviation. In a country whose problems of communication are so complicated and seemingly hopeless, aviation looks like a godsend. Leguia knows what a revolution aviation has effected in Colombia. He wants to see the same changes in his own country. At the beginning of 1928 the Government started an air service from Lima to Iquitos. The eight hundred miles that used to take from four to five

weeks have been traversed between sunrise and sunset. With Brazilian coöperation it is planned to continue the air service to Pará, joining the new line from Rio to Pará. Perhaps before this book appears, the first flight from Lima to Rio de Janeiro—in less than two days—will have been announced by the press. Leguia, always forward-looking, believes that aviation may prove to be the solution of Peru's hitherto insurmountable problems.

CHAPTER VIII

THE QUESTION OF THE PACIFIC

IN South American history and international politics a name that would seem to the outsider far too general and that assumes far too much has been given to the Tacna-Arica dispute. Chile, Bolivia and Peru are the only nations vitally interested in the quarrel over the nitrate-fields between the Andes and the ocean. To label the difficulties that arose, and that have been settled, over the ownership of a narrow strip of territory, however rich, "the question of the Pacific" appears absurd when we consider the major issues in the Pacific which involve all the great powers. But so the Tacna-Arica affair became known long before hostilities broke out, and the war occasioned by it was called "the War of the Pacific."

Even if the fortunes of the Pacific were not greatly affected, the three nations felt that they had everything at stake. They did not allow the question to be regarded as settled by the victory of Chile in 1883, after four years of fighting. The treaty of Ancon left open to future decision the eventual disposition of Tacna and Arica. During forty-four years the vanquished have not become reconciled to the *status quo* of 1884 any more than France became reconciled in forty-four years to a transfer of territory that she was compelled to consent to in the treaty of Frankfort. Fresh in our minds

is the unsuccessful attempt of the United States to mediate, and the question still poisons the good relations that ought to exist among the peoples of the three republics.

Americans became aware of the long existing "question of the Pacific" only after the World War. When President Coolidge's award was announced, the Tacna-Arica crisis became still more acute than it had been. Atlases and encyclopedias were consulted to find out where Tacna and Arica were and why the peace of South America remained disturbed through decades by this question.

In reality it goes back to the sixteenth century. Not long after the conquest of the Incas the Spanish, who had laid hands on the rich silver mines of the Cerro de Potosí, demanded the control of Arica themselves. They did not want the port whose *raison d'être* was their wealth to be under the arbitrary jurisdiction of Lima. The independence of Bolivia was centuries ahead, but geographical considerations spoke insistently in those early days. Those who worked the mines and were getting the silver ore to the outside world demanded their own port. The local interests of Bolivians were not satisfied with control of territory that slanted southwest to the sea. They wanted their Pacific door at the shortest distance. They thought they had a right to a share in the prosperity that came to port towns from handling what they produced. It is one of the tragedies of history that the Bolivian people, to whom the possession of Tacna and Arica meant more than to any one else, were to fight a war, make many sacrifices, and in the end see their outlet to the Pacific pass from Peru to Chile, leaving them more land-locked than ever.

The question of the Pacific in its South American

connotation has remained unsolved. It has developed into a thorny problem, engendering bad feeling in each of the three countries against the other two. It could not be settled by diplomatic negotiations, nor even by war; and the fact that it is alive to-day demonstrates how the doctrines of inevitability and acceptance of *faits accomplis* do not prevail in the face of real or fancied international injustice.

The origin of the War of the Pacific might easily be traced to the beginning of colonization and the working of the mines. But group action became strong and bitterness and resentment were aroused only when the Bulnes decree, passed in 1835, put Chile on the road of nitrate development and expansion into regions beyond Chile's frontiers. We have seen elsewhere how the war broke out, and how Chile won it. The treaty of Ancon contained clauses that were only a sop to the vanquished, to make the defeat less bitter. In fact, Chile had seized the nitrate-fields, and had expelled the Peruvians and Bolivians, with the intention of keeping them. Keep them she did, and developed them until they became a major source of Chile's wealth.

Because of the possibilities for evil, which he saw clearly, Secretary Blaine prepared the way for American mediation before the treaty of Ancon was signed. His retirement, when President Garfield was assassinated, gave Chile the opportunity of establishing her nine points of law by undisputed possession of Tacna and Arica. Bolivia was cut off from the sea without effective protest on the part of outside states. Peru lost provinces that were prized more for sentiment's sake and traditional possession of them than for their newly discovered wealth. Grappling with this question took a heavy toll of American diplomatic representa-

tives. At Santiago the American minister, Kilpatrick, died from overexertion and worry. Minister Pettis found his heart affected by the high altitude of La Paz and had to leave. General Hurlbut died at Lima, and it was commonly reported that he had been poisoned. His successor, James Partridge, forgot the Monroe Doctrine so far as to convoke the diplomatic corps credited to Peru, to discuss European intervention. Recalled by an indignant State Department, this well-meaning man, who had rushed in where angels feared to tread, retired to Spain, where he committed suicide. More than forty years later the American who had won glory on the battle-fields of France had to leave Arica, baffled by "the question of the Pacific," because his teeth were hurting him!

What has the question of the Pacific meant to the three nations involved? From a geographical point of view, Bolivia has aspired to the quickest access to the sea from La Paz, which is by Arica; Peru has wanted to keep intact the coast-line inherited from colonial days; and Chile, unable to cross the mountains in her expansion, has kept on going north. Economically speaking, Bolivia and Peru strove to keep their recently discovered sources of wealth in the nitrate-fields, while Chile, after peaceful penetration of her capitalists, wrested provinces from her neighbors to increase her own actual and potential wealth. Politically speaking, Tacna and Arica are in the eyes of Peru a part of her heritage from a glorious past, in reclaiming which she can count on the pride of the people to support a despotic government; Bolivia regards the former Peruvian provinces as a good trade in exchange for a quit-claim deed to Antofagasta; and Chile makes the retention of territories she has grabbed a question of

political prestige, now inextricably involved with national prosperity.

The question of the Pacific, therefore, presents interestingly virtually all the features of any of the questions that have moved the United States, Japan, and the European powers to wage wars, to keep up a diplomatic front, and to fall back on the argument of force as a final justification of title to territory.

The War of the Pacific, as we have seen, ended in a complete victory for Chile, which, in possession of the capital of Peru and the territories she had decided to take from both Bolivia and Peru, dictated the treaty of peace to the vanquished.

Before the war Bolivia had an outlet to the sea through the province of Antofagasta, now the widest part of Chile, and this frontier extended a little south of the twenty-fifth degree. Peru owned the province of Tarapacá, with Iquique as the port and capital. There was thus no common frontier between Peru and Chile, and Bolivia, third largest country of South America, was not land-locked. This desert country was of no particular value to Peru, and of none at all to Chile. Peruvian Tarapacá, in the possession of Bolivia, would have been of more use than Antofagasta, because the latter province was in the extreme southwest of the country. As nobody lived there, frontiers were ill-defined, and only the ports had any value. Their significance was of the slightest, as railroads had not yet been developed. The use of nitrates began about 1850 on a scale to draw attention to the wealth of this desert land; but only in the decades between 1860 and 1880 did the advance of chemistry enable the salts to be utilized on a large scale as a fertilizer. When it was realized that the Peruvian province of Tarapacá con-

tained virtually all of the world's natural nitrate, Chile's economic penetration northward began, with the aid of foreign capital. Bolivia's outlet was in the way. Causes for war were created in a manner reminiscent of our own intervention in Texas. Peru, of course, seeing the goal Chile had in mind, had to fight with Bolivia. When Chile seized the nitrate-fields, Tacna and Arica were added as a protection for the new northern frontier.

In the Treaty of Ancon, Chile agreed to a plebiscite after ten years to determine the ownership of Tacna and Arica in order to throw a sop to Peru's pride and to give her a breathing space in which to organize and protect her conquest of Tarapacá. The possession of this province had been the reason for and the prize of the war. It was Chile's intention from the beginning to maneuver her relations with the defeated states in such a way that if she had to give up Tacna and Arica, this territory would go to Bolivia instead of being handed back to Peru. Chilean statesmen thought that they could reconcile the Bolivians to the annexation of Antofagasta by giving them a better outlet to the sea and at the same time put a strip of neutral territory between Peru and her lost nitrate-fields. In studying the later history of the question of the Pacific we must have in mind this intention and the factors that prompted it. There has never been a time when Chile would have consented to the return of Tacna and Arica to Peru. Such a solution would have been no solution at all. Again in possession of Tacna and Arica, Peru would immediately begin irredentist agitation in Tarapacá.

"In principle," to use the diplomatic phrase, Chile was always ready for the plebiscite she had promised, and merely kept putting it off. It was going to be held!

In reality, Chile would never hold a plebiscite herself or agree to have one held, if there was the slightest risk of its turning out in favor of Peru. The increasing dependence of her treasury upon Tarapacá nitrate revenues has made such a *beau geste* impossible. Idealists and jurists produce tomes about the rights of people to dispose of themselves freely and the meaning of treaty stipulations. But all nations are alike in refusing to sacrifice their security and risk their prosperity to right an injustice or live up to a promise. It just isn't done.

Bolivia wanted Arica at the time of her independence and afterward, just as the colonists of Potosí had wanted it ever since they began to exploit the silver and tin mines. But the republic of Peru was no more willing to give it up than the Spanish viceroyalty had been. After the War of the Pacific Peru gave Bolivia free port facilities at Mollendo, which became valuable with railway construction; and Chile did the same at Antofagasta and Arica. Pursuing the policy of creating a buffer, the Chilean Government negotiated a treaty with Bolivia in 1895, providing for the cession of Tacna and Arica. But the Chilean Congress did not have the statesmanlike vision of its leaders. This treaty, which would have settled the question as Secretary Kellogg decided that it could be settled more than thirty years later, failed of ratification at Santiago.

Peru, in the eighteen nineties, began to agitate the question of the plebiscite promised by the treaty of Ancon. But she had many other boundary questions—with Brazil, with Ecuador, with Colombia, and with Bolivia. There were too many wars in the air for any one to be seriously considered. Despite the fact that Chile was at a disadvantage because of Argentine hos-

tility over the Andean boundary, the Peru of the two decades after the War of the Pacific did not feel strong enough to renew it. Chile was a hard country to get at for the Peruvians, except by sea. Chile's navy was superior. And as for land operations, it is easier to lose a desert country than to win it back.

So the question of the plebiscite did not seriously begin to affect Chilean-Peruvian relations until 1910, when Peru protested against the expulsion of priests and the closing of churches in the lost provinces. The Chilean Government had taken this step after discovering that the clergy were the source of an irredentist propaganda, as is so commonly the case. In the Catholic Church the hierarchy is for the *status quo,* on the principle of rendering unto Cæsar the things that are his, and also because the international character of the church puts into the higher ecclesiastical positions men of the nationality of the occupying country. The village priests, however, generally side with the people, and support secretly, even when they dare not advocate openly, nationalist movements.

Peru broke off diplomatic relations with Chile. But she was held back from war by the threatening attitude of Ecuador, which she charged was due to Chilean intrigue. This President Montt of Chile denied at the opening of Congress. The next year President Leguia of Peru, at the opening of the Lima Parliament on July 29, declared that Peru was friendly with every neighbor except Ecuador and Chile. He complained of repeated assaults of Chilean rioters against Peruvians at Iquique, Tacna, and Arica, and asserted that the Chilean Government was lending itself to a deliberate effort to expel Peruvians, so that when the plebiscite did occur, there would be a Chilean majority. Peru,

declared President Leguia, would offend no nation. But she would permit no one to offend her with immunity. He concluded this speech, which has been the keynote of Chilean-Peruvian relations for nearly two decades now, with the significant words: "I intend to continue acquiring war material."

In December, 1912, diplomatic relations between the two countries were resumed, because Chile expressed her willingness to discuss the holding of the plebiscite. Chile hinted that she would buy off the Peruvian claims to Arica by a cash payment, and would agree solemnly to a plebiscite in Tacna in twenty years. The newly elected president of Bolivia intervened to suggest that his country acquire sovereignty over a strip of land on either side of the La Paz-Arica railway and the port of Arica, Peru and Chile dividing the compensation and agreeing to compromise their claims by mutual waiving of rights in favor of the other north and south of the Bolivian strip. But there was a strong current of opinion in Chile against agreeing to any settlement that would end the territorial isolation of the nitrate region, so ideally maintained by the continuance of the Chilean occupation of Tacna and Arica.

During the World War the quarrel simmered, only to be violently revived after the armistice of November 11, 1918, had seemed to vindicate the principle of self-determination and righting old wrongs throughout the world. Was not Tacna-Arica a question like that of Alsace-Lorraine, which France was reoccupying after forty-eight years?

Peruvian agitation in the lost provinces led to riots on November 23, 1918, in Chilean ports that had formerly belonged to Peru. At Iquique the Peruvian consul was mobbed, and Peru threatened to break off

diplomatic relations. President Wilson, on the eve of going to Paris, realized how unfortunate a dispute of this gravity was for the United States. He was going to present to the Peace Conference his grandiose conception of the League of Nations—and he did not want a crisis that might bring on war right in his own back yard. Consequently, he directed Secretary Lansing to inform the Peruvian and Chilean Governments that he was willing to mediate the dispute. In accepting the proposition, Chile was no less ready than Peru to say that a plebiscite ought to be held. But another note from Washington modified the original offer. It informed the South Americans that President Wilson did not desire to volunteer "actual adjudication upon the question but only to mediate in the sense of urging them to come to an amicable agreement." This, of course, meant nothing. But it paved the way for the later unhappy participation of our country.

In 1919 the persecution of Peruvian sympathizers in Tacna and Arica continued. Mobs closed Peruvian shops and drove some men out of the country. In retaliation longshoremen in Peruvian ports refused to unload Chilean steamers. Bolivia's unofficial statement to Chile about Arica was deeply resented in Peru, despite the support it implied to Peruvian ownership of Tacna. Only about forty thousand inhabitants were involved, and a coast-line of two hundred miles. The value of the country, except to Bolivia, amounted to so little that outsiders wondered why the agitation continued. During 1919 there were so many more important border disputes throughout the world that "the question of the Pacific" got little more than local mention.

In 1920, however, the reported intention of Peru to refer the question to the League of Nations, of which

all three countries had become members, caused the United States to realize the necessity of getting into the question again. Peru had information of secret negotiations between Bolivia and Chile for the cession of Arica to the former by the latter, which prompted the sending of a sharp note from Lima to La Paz. Bolivia answered that her "rights" to Arica went back to colonial days, and reminded Peru of the definite claims made in 1826, when Spain finally withdrew. This diplomatic tension was one of the causes of the Bolivian revolution of 1920, and Bolivian feeling became worse toward both her neighbors and toward the United States when it was announced that President Wilson, acting as mediator, proposed that Peru waive her right to a plebiscite and her title to the provinces in return for a payment by Chile of $30,000,000.

In December, 1921, Chile offered to hold the long-deferred plebiscite. But Peru wanted to know the conditions under which the plebiscite would be held. This led Chile to assert that she had always been willing to hold a plebiscite, and that Peru was really responsible for the delay! Fear of echoes in Geneva led President Harding to invite both powers to send representatives to Washington in the spring of 1922 to settle the question by direct negotiation with the help of the United States. The conference opened in the Pan American building on May 15, despite Bolivia's insistent protest against any Tacna-Arica conference that did not include her. A protocol, signed on July 21, provided for arbitration by the President of the United States.

It was unfortunate that the opinion and award of President Coolidge, made public on March 9, 1925, did not rest upon the broader ground of the problems of

the War of the Pacific and Bolivia's century-old demand for an outlet to the sea at the port nearest La Paz and the majority of the tin and silver mines. President Coolidge, by the protocol, had been asked only to decide upon the provision of the treaty of Ancon which had granted to Chile the privilege of the occupation of Tacna and Arica until a plebiscite was held. The President made a diplomatic decision, to the effect that the plebiscite stipulation in the treaty was still valid, but that Chile could not be charged with having wilfully prevented the plebiscite. However, it was manifest that a fair plebiscite would be impossible except under the auspices of a third party. General Pershing was chosen president of the plebiscite board. After much bickering, during which Peru asked for guarantees, the Pershing commission arrived in Arica on August 3, 1925. The Peruvians stayed on a ship in the harbor.

From the very beginning the hopelessness of the task was evident. Tacna and Arica were under the civil authority of Chile, one of the interested parties. The Peruvians were constantly crying out, generally with foundation for their complaint, against Chilean intimidation. When Pershing acted contrary to what the Chileans wanted, there was a howl from Chile. Peru maneuvered to have the plebiscite deferred until she could get back to the lost provinces voters who had been driven out earlier by Chilean mobs. Señor Edwards, clever Chilean banker and statesman, insisted that the date be fixed immediately.

There is no need of going into the tedious details of the squabbling of the commissioners and the local authorities with the Americans. When General Pershing found that he could accomplish nothing, his teeth

were needing attention. He resigned and returned to the United States. President Coolidge appointed General Lassiter as his successor. We visited Arica in March, 1926, at the critical moment when the Chilean delegates, claiming that the registration of voters did not need to take longer, were clamoring for a plebiscite on March 15 instead of April 15. On the other hand, the Peruvians poured into our attentive visiting ears (every American already there was supposed by both sides to be prejudiced) complaints of intimidation of Peruvian voters, who were prevented from registering, and of enrolling Chileans who had no right to vote. The truth of these complaints could not be doubted, even if they were exaggerated by the interested parties. We have never seen an international undertaking more pathetically futile than the attempt of a handful of Americans, with no other influence than moral suasion, to persuade the Chilean authorities to play a fair game. They had about as much chance of success as if a group of Englishmen should go to Mississippi and try to persuade the Democrats there to let the negroes vote. No machinery of government, well established, commits suicide. The conditions under which the proposed plebiscite was to be held made a plebiscite impossible.

Peru wanted a plebiscite—but she wanted it under foreign military protection and only after all the expelled Peruvians her agents could trace and persuade to come back had been repatriated. In the meantime, those who had come back were afraid for their lives; and they were living on subsidies from the Peruvian Government in a camp—exiles still in the land of their birth!

When Secretary Kellogg finally woke up to the hopelessness of the mess, he conferred with the Peru-

vian and Chilean ambassadors at Washington and suggested once more "direct conversations" at Washington between Peru and Chile.

On June 14, 1926, General Lassiter proposed to the commission at Arica that the plebiscite be abandoned. He declared that mob terrorism against Peruvian voters would make impossible a fair expression of public opinion. The motion was adopted by the Americans and Peruvians. The Chilean Government denied General Lassiter's statements, while the Peruvian minister of foreign affairs corroborated the charges. Thereupon Chile informed the United States that the abandonment of the plebiscite "automatically put an end to the idea of obtaining amicable adjustment through the good offices of the United States."

When former President Alessandri told American newspaper correspondents that our efforts at Arica had only served to increase the antagonism between two South American republics and had alienated Chilean friendship for the United States, he said what most South Americans, outside of Peru, believed. It would have been well had Secretary Kellogg heeded Señor Alessandri's warning that "there was nothing further that the United States could do." Our secretary of state was unwilling to let the matter rest there. On November 1, 1926, he transmitted a simultaneous note to Chile and Peru, containing what he called a "concrete suggestion" for settling the dispute. But he proposed nothing new. What he had to offer was the cession of the provinces to Bolivia, with compensation to both claimants; the perpetual demilitarization of the region; the maintenance of Arica as a free port; and the placing under international jurisdiction of the famous promontory to which Peru attaches sentimental value

because of deeds of heroism of the Peruvian defenders in the War of the Pacific.

Bolivia alone agreed to the scheme. Chile was favorably disposed to it, but wanted it to be understood that such a solution would be simply a contribution to international understanding beyond what Chile could be called upon to do either morally or legally, because Chile alone had rested her case upon the "solid juridical position given to her by the treaty of Ancon and the arbitral award of President Coolidge." Nothing came of the proposition. Secretary Kellogg's Latin-American policy in Panama and in Nicaragua turned public opinion against him in Peru as well as in Chile. Peru declared that the Kellogg proposal was unworthy because it called upon her to "sacrifice the rights of her citizens."

After a year of futile effort and the expenditure of $4,000,000 by Peru and Chile, the Americans left Tacna and Arica in a worse condition than when they arrived. The situation is harder for Peruvian sympathizers than it was before. In fact, it has become intolerable. Not only will no plebiscite now be held, but it will be difficult for those who identify themselves with the Peruvian side of the dispute to remain in the provinces. Between Peru and Chile, as former President Alessandri put it, the bitterness has increased. Both countries are preparing for war. Should war break out, it will be Peru which will have to take the initiative. Then Chilean public opinion will more than ever hold to the strategic necessity of Tacna and Arica for the protection of the precious nitrate-fields of Tarapacá.

In world politics this "question of the Pacific," unsolved in 1928, demonstrates the impossibility of the League of Nations ever wielding any direct influence

upon South America. For, despite the feeling against the United States and the fiasco of which we have been guilty, no one seriously advocated an appeal to Geneva when war clouds were hovering on the horizon.

Secretary Kellogg did much to retrieve the earlier errors of the State Department in the Tacna-Arica question by persuading Chile and Peru to resume diplomatic relations in August, 1928. For some months previous to this notable event, a more friendly feeling had been evident between Chileans and Peruvians. Chilean business men want to sell and invest in Peru. Peruvians have gone to Chile recently in tourist groups. But a durable peace will be possible only if Peru accepts the *fait accompli* of the loss of Tacna and Arica.

CHAPTER IX

ECUADOR

SPINNING the globe around, one's finger on the equator passes from the mouth of the Amazon River across the Atlantic to the Portuguese island of São Thomé; through the French and Belgian Congo, Lake Victoria Nyanza, and Kenya, to reach the Indian Ocean at the southernmost point of Italian Somaliland; and touches Sumatra, Borneo, Celebes, the Gilbert and the Baker islands on the way to the one truly equatorial country that is wholly of the equator and belongs to itself. Ecuador, wedged in between Colombia and Peru on the Pacific coast of South America, therefore, has a peculiar right to her name. Quito, the mountain capital, is just south of the equator, but, like the highlands of Kenya, enjoys a healthy and bracing climate.

Although larger than Uruguay, Ecuador's mountains are so numerous that the cultivable surface is less than that of any other South American country. She does not have the deep river outlet to the sea that makes Paraguay potentially important. Tiny Uruguay is wealthy, and contains a growing population of European stock. Ecuador is very poor, and her people are mostly of aboriginal American stock, with their own language used more than Spanish in the interior. Without disparagement, and only in comparison, one might

well say that Ecuador is insignificant among the South American republics. But her key position, her international relations, her insistently maintained diplomatic claims to larger frontiers, and the agricultural and mining resources of the country make her a member of the family of nations not to be neglected in her own continent and in the world at large. As for island possessions, who has not heard of Galapagos since Beebe was there?[1]

Ecuador shares with Paraguay the unenviable distinction of not knowing how large she is, and of having to argue for frontiers that neither her surveyors nor those of her neighbors have ever been able to map. Because of her small and backward population and her lack of money to buy the implements of war, Ecuador cannot hope to sustain her sweeping territorial claims against the encroachments of powerful nations on the north and south. But just as Paraguay continues to dispute the Gran Chaco with Bolivia, Ecuador pursues a valiant diplomatic defense of territorial pretensions in the upper Amazon basin. With Peru constantly pressing northward and eastward, and Colombia coming down to the south, there has been little that her Government could do. Only at the apex of the triangle conceded to her in the interior does her recognized

[1] This group of sixteen islands lies six hundred miles off the coast. Only two are inhabited. Albemarle has cattle and cultivable land, and on Chatham, originally a convict settlement, sugar-cane is cultivated. The group is of volcanic origin. The name comes from the giant tortoise, which grows to six hundred pounds and sometimes lives two hundred years. Ecuador holds these islands by international consent and not by any ability, past or present, to defend them. The navy of Ecuador consists of two gunboats, with a total tonnage of 1050 tons; and both of them are nearly as old as the author of this volume.

frontier reach the Amazon. Her actual sovereignty extends over 116,000 square miles, about half the area she claims. And even 40,000 square miles of that has never been definitely conceded to her by Peru. Were it not that the interior is only partially explored and developed, Ecuador's frontiers would probably be smaller still. We have seen how Peru has developed the upper Amazon basin. This Peruvian activity cuts off Ecuador from the common frontier with Brazil that she has always asserted is hers.

There are various estimates of the population, from two millions to less than a million and a half, all of them conjectural. Because the frontiers are uncertain and the administrative authority and activity of the Quito Government are limited in large regions of the country, none can give exact figures either for Ecuador's surface area or for her population. This fact does not disturb the Ecuadorians. The Spanish stock of pure blood has no interest in statistics and little in realities. This same attitude is adopted by mestizos and Indians who have found their way into the governing caste. They love their native Ecuador, and they hate their neighbors; but their activities are more effectively felt in internal political strife than in building up a nation able to maintain and extend its territorial claims by force of arms. The educated element, white and mestizo alike, glories in the history of the country and its scenic magnificence. Educated Indians realize that Quito, like Cuzco, can boast of a civilization that antedates Columbus. And the Indians as a whole cling to their language that has come down from pre-European days. They use it in preference to Spanish.

For natural beauty, for striking mountain scenery, for startling contrasts, Ecuador is the most attractive

tourist country in the world. There is nothing in other continents comparable to forest-covered Ecuador. Parallel mountain ranges, with peaks from fifteen thousand to twenty-one thousand feet, always snow-clad, and some of them active volcanoes, inclose a plateau that varies from seven to ten thousand feet. One can change in less time than anywhere else in the world from the tropics to the temperate zone, from the low river jungle to the mountain glacier. But one does not need to change! Down on the seacoast it is possible to look up to snow-covered mountains through palm trees. On an upper Amazon tributary the white line of the eastern Andes meets the sky through jungle foliage. Inaccessibility, lack of means of transportation and tourist accommodations, a no longer deserved reputation for fevers, keep Ecuador unknown. When she is discovered by those who travel for travel's sake, her economic and social life will be quickly transformed.

The difficulty of communications can be imagined when we give the elevations. Two mountain ranges, both of them more difficult to cross than our Rocky Mountains! A plateau that is cut into basins transversely by eight smaller ranges joining the clearly defined and higher cordilleras. A belt of tropical vegetation, less than a hundred miles wide, and then the sharp climb in a few hours to two miles above the sea level. No means of going anywhere through Ecuador without going up and down over cordilleras, and then up and down over transversal ranges, which the Ecuadorians aptly call *nudos* (knots). The plateau on which Quito is located, because of this peculiar and grandiose lay of the land, deserves the name of "the roof of the world." From this roof rise like chimneys the volcanoes, dominated by Cotopaxi, whose flames and

smoke are this planet's outpost of defiance to its neighbors of the solar system.

Ecuador's tropical belt between the mountains and the sea is almost the farthest west part of the South American continent. In this region and up through the foothill river valleys are the cacao plantations, which used to have a large yield. In recent years most of the cacao plants have been destroyed by a blight; and the coast region is in a transitional agricultural stage. The Government and private owners are attempting to substitute cotton and other hot climate products. In the central sector, the plateau country, agriculture runs to cereals, potatoes, and fruits; and large areas are devoted to cattle-raising and dairy products. Farming is sufficiently developed to supply local needs and the slowly forming mining communities. Most of the population lives along the coast or on the plateau.

Guayaquil, the port, and Quito, the capital, each claiming one hundred thousand, are the only two large centers of population in Ecuador. Guayaquil used to be fever-stricken. But the work of the Rockefeller Foundation in stamping out the yellow fever mosquito has banished this scourge. There has not been a case of yellow fever locally contracted at Guayaquil for nearly ten years. Although as near the equator as Pará and Singapore, and at sea level, the temperature does not get as high as at Philadelphia or Naples. For twenty years now Quito has had railroad communications with Guayaquil. Once on the plateau, the European suffers no discomfort from his tropical environment.

Like Bolivia, Peru, and Colombia, Ecuador has a totally different life east of the Andes. There is incalculable wealth in the upper forests of the Amazon;

and in the course of time Bolivia, Peru, and Colombia will have developed through the Amazon River system a practicable and profitable outlet to the Atlantic. From this future, Ecuador, with her many thousands of square miles of rich forests, seems to have been cut off. Colombia has contended with Peru for the mastery of the upper Amazon tributaries, precisely because both nations realize the impassability of the Andean barrier. The barrier is the same for Ecuador. How can she too find an outlet? This is the reason of Ecuador's boundary disputes with her neighbors. The question goes back to the beginning of the independence of the South American republics.

When the viceroyalty of Peru was established in 1542 it included what is now Ecuador. The ancient city of Quito gave its name to a presidency which depended on Lima for one hundred and seventy-five years. In 1717 a new viceroyalty was established in the north. Quito was transferred to this viceroyalty of New Granada. After five years it reverted to Peru, and seventeen years later, in 1739, the vast and largely unexplored region of which Quito was the center was once again—this time definitely—allotted to New Granada.

A local independence movement began at Quito, as in most large South American cities, in 1809, and was suppressed. The successful uprising which ousted the Spanish from Ecuador occurred at Guayaquil in 1820. General Sucre won a definitive battle at Pichincha on May 24, 1822, which compelled the Spanish to withdraw for good. The former presidency of Quito was incorporated with Colombia, Panama, and Venezuela, together with the coast-line down to the gulf below Guayaquil in Bolivar's Colombian Federation. The

Peruvians penetrated north of the boundary claimed by Bolivar in 1828, and occupied Guayaquil and Cuenca. They were driven out the next year by the efforts of the Ecuadorians themselves.

In 1830, with the disruption of Bolivar's dream of greater Colombia, Ecuador came into being as an independent buffer state between Colombia and Peru. On the coast and in the plateau her boundaries were fairly well defined. East of the Andes, however, there was no way of telling what country belonged to the new republic, and what were the limits of the rival republics of Colombia and Peru. The territorial situation was complicated by the refusal of Brazil to surrender her pretension to sovereignty over all inland regions watered by the Amazon. From the beginning of their independence the Ecuadorians insisted that their frontier extended to the Amazon and included the basins of several navigable streams down to their junction with the Amazon. They affirmed that these rivers had been navigated by Ecuadorians as early as 1740 and that they were a natural part of the national territory when independence was established.

If Ecuador had had a stable internal régime from the beginning of her national history, there is little doubt that she could have made good a large portion of her claims. She might easily have taken advantage of the political confusion in Colombia and Peru and the remoteness of any Brazilian administrative authority to ensconce herself firmly on the upper Amazon. This would have required little effort and less money. But we must remember that the disputed region was not a white man's country, and that for the first seventy-five years of independence there was little incentive in the tropical regions of South America to

develop their wealth and thus bring boundary questions to the front for definite settlements. That Ecuador was able to become a republic at all was due solely to the remoteness of the Quito plateau and the mutual determination of Colombians and Peruvians that neither should have the gulf and port of Guayaquil. Ecuador's independence, therefore, was possible largely for the same reasons that Uruguay became independent —and remained so—despite successive generations of internal political anarchy.

The first president, General Flores, was a dictator for fifteen years. His successor, when he realized that he would have to live under the perpetual fear of assassination, liquidated all his resources and went into exile. From 1850 to 1865 Ecuadorian presidents had trouble both with Colombia and Peru, and at the time Napoleon III believed that the Monroe Doctrine could be successfully defied there was serious thought of the establishment of a French protectorate. The decisive victory of the North in our Civil War abolished this castle in Spanish America of France in Ecuador as in Mexico. Ecuador allied herself with Chile and Peru in the war against Spain, at the end of which came the Quito earthquake. Followed assassinations and dictatorships and civil wars between the coast and the plateau until the end of the nineteenth century. General Eloy Alfaro was the seventeenth president who had gained office by force.

In 1901, when General Alfaro handed over the presidency to the successor who had been legally elected, there was a belief that internal troubles were going to end. The same forces making for political peace were at work in Ecuador as elsewhere in Latin America. An American, Archer Harman, had begun in 1897 the

seemingly impossible project of building a railway from Guayaquil to Quito. He asserted the engineering feasibility of his plan, but he declared that there must be peace in Ecuador if it were to be financed adequately.

Ecuador seemed to enter a new era. President Plaza disestablished the church and caused to be passed a series of laws that deprived it of its special privileges in the state. The reaction, at the next presidential election, put into office a conservative banker. President Garcia was expelled by General Alfaro, who once more established himself as dictator. In 1908 the railroad to Quito was opened. The effect upon the economic life of the country was immediate, as it bound for the first time the high plateau with the coast, and it opened up all sorts of possibilities in the exploitation of Ecuador's mining wealth. So beneficial was this railroad in developing Ecuador that a second line was planned, to connect Quito with the port of Esmeraldas in the north, near the Colombian frontier. This did not get under way until 1926.

What effect the railway was going to have on consolidating the authority of the central Government and stabilizing internal political conditions was not demonstrated, however, until the revolution of 1912. There had been political confusion in 1911, in which year two presidents were elected, the first of whom was expelled and the second of whom died. Guayaquil revolted against the provisional government as it had often done before with impunity. But this time, thanks to the railroad, Quito was able to send troops to Guayaquil in less than two days. After severe fighting, the insurrection was suppressed. So happy and excited over this victory were the people of Quito that a mob stormed the jail, seized ex-President Alfaro and other

revolutionary leaders, and put them to death in a way that would require the pen of a Motley to describe.

Until 1925 there was comparative internal peace in Ecuador. In July of that year a group of officers led by General Gómez overthrew the Government and formed a provisional government consisting of six military men and one civilian. They claimed—and with some justification—that the revolt was not prompted by any personal or group ambition. They wanted the power in order to put into practice immediately a program of financial, educational, and constitutional reforms. They began by suppressing petty graft in government offices, firing superfluous functionaries, and revising all contracts for government and municipal works. In November they thought they were strong enough to give permission to the deposed and exiled President Cordova to come home; but for some unexplained reason this permission was immediately withdrawn.

The junta of the provisional government was dissolved on April 1, 1926, and Dr. Ayora appointed "provisional president" by the military board. Then the board withdrew from politics. The United States refused to recognize Dr. Ayora, but an American financial commission's recommendations as to financial reform were none the less put into effect with American support. The Kemmerer mission spent five months in Ecuador. It recommended the adoption of a new banking law, the establishment of a central bank, currency reforms, a modern system of taxation, the reorganization of the customs administration, the adoption of an efficient accounting system, a new organic law providing for the budget, and improved methods in the operation of railways.

Whoever wants to draw the map of Ecuador will be confronted with a choice of half a dozen frontier lines, all of which raised questions as yet unsettled, except in the case of Colombia. On July 15, 1916, the Government signed a boundary treaty with its northern neighbors. But should Colombia at any time in the future oust Peru from the extreme north of the Amazon territory now occupied by the latter, Ecuador could still put forth reversionary claims that would not be disputed by Brazil, because of an arrangement concluded in 1904. In a Colombian-Peruvian war Ecuador might help Colombia. Colombia, however, would hesitate to pay the price that would undoubtedly be demanded.

The boundary between Ecuador and Peru, if drawn according to the royal decree of 1740, would cause a vast region in the upper Amazon to revert from Peru to Ecuador. If drawn according to the Pedemonte-Mosquera protocol of 1830, Ecuador would still have a generous access to the Amazon. But we are dealing with realities. Peru is in possession of the region that would make Ecuador an important neighbor of Brazil, and Peru says that she is going to stay there. Ecuador's one chance of disputing Peru's title by appeal to arms was in 1910, when the menace of war between Chile and Peru over Tacna-Arica became acute. The war clouds passed then without a storm, as they did in a recent revival of the dispute. We have seen in another chapter how Peru's great stake in the upper Amazon tends to keep her at peace with Chile in a question where pride and sentiment rather than any actual additional security and prosperity are the factors.

The constitution of 1906, which still holds in the third decade of its operation, provides for double cham-

ber government, with a president elected directly by the people for a term of four years. Foreigners are guaranteed the same rights as Ecuadorians, and all the safeguards to individual liberty are provided. However, just as in the United States until the Civil War, and since that time in some States, citizenship and rights under the law are not enjoyed by all human beings, so in Ecuador the old Spanish system of considering the native Indian population as peons continued. Electors must read and write: this qualification, in a country where illiteracy is the rule, disqualifies most of the Indians. It speaks well for the spirit of progress in Ecuador that not political pressure exercised by the under dog, but a desire to raise the standards of civilization in their country, led the Congress in 1918 to abolish peonage. This was a blow struck at the evil system of bondage and debt servitude that made the lot of the Indians on large estates a hopeless one. By the law of 1896, Indians had been exempted from paying tribute and allowed to become citizens when they passed the literacy test. The constitution of 1906 had guaranteed to all men equal rights under the law. But until the Indians were freed from the peonage system they still paid tribute; and education was impossible for families tied down to the land and under obligations to work as a family for the landowner.

The progress in primary education since the World War is encouraging, and every year increase of facilities spreads to a wider area the application of the Compulsory Education Law. Contributing in a way whose influence cannot be overestimated is the Rockefeller Foundation through its hookworm campaign. Dr. Conner, after a careful survey of the lowland agricultural laborers, expressed the opinion that 95 per

cent. of them were affected with hookworm, which lowered their vitality and efficiency. Among the children especially the hookworm rendered them backward in their studies. The malady worked against even a smattering of education. Coming at a time when peonage had recently been abolished and when school opportunities were being increased, the Rockefeller Foundation's war against the hookworm became a prime factor in lifting the people, mestizos and Indians alike (and also many of pure white stock), to a higher level. It was well timed also, because this aid came when the agricultural districts were fighting a losing war against the cacao plant blight. In many parts of South America, American money works for its own interest along with that of the South American peoples'. The Rockefeller money works for the sole interest of the people. The conquest of yellow fever and the eradication of the hookworm are doing more for Ecuador than railroads and mineral development.

Ecuadorian exports increased eightfold in the seventy years from 1850 to 1920, when the figures passed $8,000,000. But there has been depression since then, owing to the alarming decrease of cacao, which fell off more than half between 1920 and 1926. The evil of depending upon one crop has been demonstrated in Ecuador, where the people have relied too much on the rich cacao yield of the Guayas Valley. This small strip of rich alluvial land gave one third of the world's cacao supply in 1900. To-day Ecuador supplies only an eighth of the world's output.

But in one thing she is still supreme. The toquilla straw, from which Panama hats are made, is an Ecuadorian product. The tourist who yields to the temptation of buying hats from Indian women and girls at

Guayaquil and Esmeraldas takes home with him gifts that become more highly prized with time. But more lasting still is the memory of the mountain ranges, of "the roof of the world," and of a people whose white stock has learned to deal justly with the Indian and the mestizo. Ecuador will soon enter a second century of nationhood, and if the past is any guarantee of the future, this country which does not know how big or small it is will win and hold a unique and useful place among American republics.

CHAPTER X

COLOMBIA

AT the point where the boundary of Ecuador turns sharply southward the equator crosses the southern corner of Colombia for about the same length as through northern Ecuador. Colombia also has her high mountains, her capital on what has been until recently a difficultly accessible plateau, and more than half of her area shut off from the Pacific by a lofty mountain barrier. The only outlet of her tropical forest region, too, is through rivers that flow into the Atlantic. But Colombia's mountains are not as high as those of Ecuador and Bolivia. The Andes are not so impenetrable. Deep valleys cut into them. Ecuador's three upper tributaries of the Amazon all pass through Peru. Colombia can reach the Atlantic by two great river systems, as Bolivia does, and she has waterways that flow into the Amazon without passing through Peru.

Colombia has the same fortunate geographical position in the South American continent that France enjoys in the European continent. Her coasts are on two oceans. The west coast extends for nearly five hundred miles on the Pacific, and she borders the Caribbean for more than six hundred miles. Until the twentieth century she was in political control of the short land route over the isthmus from the Pacific to the Atlantic. But

even with Panama independent, she is in a better strategic position, politically and economically, than Peru and Bolivia, which have about the same surface area, and than Venezuela, which is not much smaller. Her population is more than twice that of Bolivia and a third greater than Peru's. The proportion of Indians is less than in Bolivia and Peru.

The rivers of the tropical interior run into the Orinoco and into both the main Amazon and the Rio Negro. In addition, there is a remarkable river system in the north, which is wholly in Colombia and is the main commercial artery of the nation. The Magdalena could easily be made navigable for three thousand ton steamers for two hundred and fifty miles into the interior. As it is, there is a regular service from the coast for river steamers of about one thousand tons inland six hundred miles to La Dorada. Above the rapids the upper Magdalena is navigable for another hundred miles for steamers of smaller draft. Motor boats can ply up the deep valleys. Colombia is connected with the Orinoco through the Meta River. In this country where railway construction has proved too costly, river communication is an important factor.

Although Colombia lies wholly in a torrid zone, nearly half its surface is upland. The great mountain range that skirts the Pacific coast from one end of the continent to the other divides into three cordilleras when it reaches southern Colombia. These ranges, in turn, are broken into transversely by deep valleys. Other lower ranges, as in Ecuador, cut the plateaus into sections. But passes are not only lower but more frequent. The fertility and accessibility of the high plateaus have enabled a population of European origin to thrive under temperate zone conditions, although

geographically Colombia mostly lies within ten degrees of the equator. The tropical climate is found on the coast and in the great wooded areas, of which little is known, at the headwaters of the Amazon and the Orinoco. Tropical also are the llanos, natural pastures, a feature of the Orinoco River system.

On the thriving north coast considerable negro blood is found, due to West Indian immigration. The pure Indian stock, some of which has never been numbered, is given as less than a million out of six millions. The proportion of mestizos to pure whites is difficult to ascertain. In many parts of the plateau region, especially in the state of Antioquia, the Colombians seem to be predominantly pure Spanish. The stock is splendid—none better in South America. Even where it may be numerically inferior to the mestizos, it is so much in evidence as to lead one to believe that Colombia is a nation of the white race. It is this influential element in the population, once one gets above the coast plains, that makes the casual visitor regard the Colombians so highly. Their admirable qualities cannot be gainsaid. One just doesn't think of them as people of the tropics, and is a little ashamed of the way our country has treated theirs. As an American who had lived long among them said to us: "They have the real goods, and they mean their manners." One can do business with these Colombians, and have confidence in their staying qualities and their efficiency. For so many generations have they run the affairs of what has always been a prosperous country that the Colombian of Spanish stock is to the manner born.

However, the increase in population during the last few decades has not been to the advantage of the pure whites. The mestizos have bred more rapidly. And as

they have gained a little education and capital, and a larger voice in the management of the country, it seems as if Colombia will inevitably become more and more a nation of mixed breed. The remedy might be found in immigration from Europe. Colombia is two and a half times the size of France; its potentialities are unlimited, like those of Argentina; and the climate is temperate enough for transplanted European stock to thrive. With all the new enterprises that are being opened up and the great development of communications through foreign capital, immigration from Europe to Colombia would prove a boon. This may come. For nowhere else in the tropical regions of the Western Hemisphere is so admirable a white man's country to be found.

What is now Colombia became a viceroyalty in 1718, and was given the name of New Granada. The independence movement was linked up from the beginning with that of Venezuela, and the ascendancy of the great liberator, Simon Bolivar, laid the foundations of a mighty nation in the formative years of independent life. Bolivar's republic, by the constitution of 1821, included Venezuela. In 1822 Ecuador joined the union. It was dissolved when Bolivar died in 1830. In 1831 what is now Colombia and Panama became the republic of New Granada, then the Granadine Confederation, and later the United States of Colombia. In 1886 a new constitution abolished the Federal Union, with the sovereignty of the different states, and adopted a unitary republican government. From this republic of Colombia, Panama seceded in 1903.

Simon Bolivar exercised an influence over the Spanish-Americans as a whole equaled only by that of

San Martin. We have seen how these two men met in Peru in the final effort to drive out the Spanish. Bolivar's move to emphasize the solidarity of the Spanish colonists in the Western Hemisphere will be mentioned later. Among the titles to fame that this far-sighted liberator shared with George Washington was his opposition to the monarchical system and his recognition of the fact that independent national life could be founded only on the basis of ample recognition of local autonomy. Urged to follow the example of Napoleon and mount the steps of the throne built by himself, he refused. When some of his followers declared that nobody could be great except after the manner of Alexander, Cæsar, and Napoleon, he answered: "I wish to surpass them all in unselfishness, since I cannot equal them in deeds." He warned those associated with him in driving the Spanish out of Peru that the genius of the future New World state would not permit dictators, whose rôle might be temporarily necessary, to make themselves kings. But he thought that some form of organic union was possible; and he dreamed of bringing Peru and Bolivia into a federation with Ecuador, Colombia, and Venezuela.

Distances were too great. Local ambitions were too compelling. Even before his death his native land, Venezuela, made the first move to secede. Peru and Bolivia never entertained his proposal at all.

But within the limits of the republic of New Granada the conception of a loose federal organization prevailed for more than half a century. It was the history of the provinces of the Rio de la Plata enacted simultaneously. Ten years of civil war were followed by dictatorships and secessions of provinces. In 1853 the constitution was altered to grant every province

the right to declare itself independent. Civil war again broke out. A new federal constitution, adopted in 1861, was not recognized by some of the provinces. Panama was in rebellion most of the time. Gradually in the eighteen seventies the federal authority was able to assert itself more effectively, and in 1880—half a century after the death of Bolivar—Colombia proposed once more a federal union with Ecuador and Venezuela. Both republics refused. Thereupon the disputed boundary between Colombia and Venezuela was submitted to the arbitration of Spain, and was finally fixed in 1891.

As early as 1885 United States marines were landed at Panama and Colon to prevent disturbing the railway traffic across the isthmus. From then on for nearly twenty years the province of Panama was at loggerheads with Bogotá, and first France and then the United States got into difficulties with the Colombian Government over the canal. A new civil war weakened the possibility of the Government's maintaining order in Panama or redeeming promises made to keep traffic across the isthmus uninterrupted. The secession of Panama came at a moment when the country was exhausted by constant fighting, bankrupt in its moral authority, and financially ruined. Colombia had refused to ratify a treaty with the United States providing for the completion of the work of digging a canal begun years before by the French. When Panama revolted and declared her independence, there was no way of coercing this province, because the United States in self-interest recognized the new republic of Panama and prevented Colombian troops from putting down the insurrection.

Of the men who had occupied the always unenviable

position of head of the republic of Colombia during three quarters of a century President Marroquin was the unhappiest. His Government had not only lost Panama but had failed to secure any compensation for the proposed Panama Canal from the United States. And at the time no nation in the world needed money more than Colombia! His successor, General Rafael Reyes, elected in 1904, felt that heroic measures were necessary. While protesting against the action of the United States in recognizing the independence of Panama, which he called an act of bad faith, President Reyes himself could get along no better with the legislative assembly at Bogotá than could the American State Department, which had tried so long in vain to strike a bargain with Colombia. Reyes had the constitution modified so that he would be sure of ten years in the presidency, and then proceeded to ignore the Congress. His country's need and the results justified the dictatorship, as in the case of Diaz in Mexico and Mussolini later in Italy.

Had Reyes succeeded in keeping himself in power for a decade or more he could have done great things for his country. He brought order out of chaos internally, and he began to attract foreign capital by confidence instilled in everybody as to the stability of his régime. He wanted his country to admit the *fait accompli* in Panama. After two years of discussion, on August 17, 1907, he had his minister at Washington sign agreements with Panama and the United States. Colombia was to recognize the independence of Panama and participate in a definite drawing of the boundary line between herself and her former province. Panama agreed to transfer to Colombia the first ten annual payments of $250,000, due

from the United States for the canal lease, as Panama's share of Colombia's foreign debt. This treaty was ratified by the American Senate. But at that moment the Reyes administration was overthrown at Bogotá, the minister of foreign affairs who had agreed to these terms was exiled, and it all had to be done over again.

Under President Taft our State Department continued to press upon Colombia the ratification of the 1907 treaties. In addition the United States offered Colombia $10,000,000 for a concession to build another canal by an alternate route and for the lease of two small islands in the Caribbean as coaling stations. Once more the Colombian Congress rejected the American proposals, refused to ratify the treaties of 1907, and demanded arbitration of the whole question. When Woodrow Wilson became President, he and William Jennings Bryan believed that Colombia had been badly treated. Secretary Bryan asked Colombia to make a proposition for direct settlement. Colombia offered a treaty with three stipulations: (1) apology on the part of the United States for support given to the rebellion of Panama; (2) freedom of transit through the canal without restriction or payment of dues for the Colombian merchant marine and navy, and equality of treatment in Canal Zone duties for Colombian products with those of the United States; (3) an indemnity of $50,000,000 as compensation for the loss of the isthmus.

The United States accepted the second stipulation, but modified the first to an expression of "sincere regret that anything had occurred to mar the relations of cordial friendship between the two countries," and cut the indemnity to $20,000,000. Colombia signified that

she would be willing to accept $25,000,000, which the American State Department declared was satisfactory. But the new treaty could not be ratified by the United States Senate in the form proposed by Colombia. There was no serious objection to giving Colombia special privileges for her ships and products in Panama which had formerly been hers; and the extra $5,000,000 was acceptable. But the apology—or even an expression of regret that Panama had become independent—was regarded as a reflection upon the United States and especially upon former President Roosevelt. With his characteristic lack of restraint in expression, Roosevelt called the Colombian counter-proposal "blackmail," and his friends in the Senate succeeded in blocking it.

The settlement with Colombia went over until after the World War. In 1919, because we were then aspiring to "the moral leadership of the world," it was reported out favorably, with the elimination of the expression of regret. But even after the lapse of five years the idea of an indemnity rankled: it was at bottom a confession of wrong-doing. We did not want to say that we had done something we were sorry for. The Senate once more rejected the treaty. It would probably have gone the way of many a treaty had it not been for oil.

Our big oil companies had been prospecting for several years, and they knew that the exploitation of Colombia's oil resources was a plum not to be relinquished because a question of pride stood between Washington and Bogotá. Having been instrumental in winning the election, American oil interests had President Harding primed for clearing the obstructions out of the path of developing the oil industry in one of the "miracle fields" of the world. Harding had not been

President one week when he sent a special message to the Senate, calling attention to the necessity of an early settlement of our "difference of opinion" with Colombia. He believed that by settling handsomely with Colombia our post-bellum trade would increase with all the South American republics, and that our surplus capital could find secure and profitable investment, especially in Colombia. This was a horse of a different color! The treaty came up immediately and was passed without much discussion in record time. Ratifications were exchanged on March 1, 1922.

In the meantime, Colombia had indefinitely postponed her boundary dispute with Peru by making an agreement in 1911 to preserve the *status quo* and not countenance border fighting, since it degenerated into anarchy through civilian quarrels. In 1916 the frontier with Ecuador had been settled by treaty. Difficulties with Venezuela, mostly smoothed out by the Spanish arbitration, were reduced to three small areas in the almost uninhabited country near the headwaters of the Orinoco. And after the ratification of the treaty with the United States about Panama, Colombia succeeded in settling her boundary dispute with Peru in 1928, and the same year appointed plenipotentiaries to decide directly with representatives of Nicaragua the title of St. Andrew's Archipelago in the Caribbean. Airplane service with the Canal Zone has been established recently, and Lindbergh made a good-will flight to Bogotá at the end of January, 1928.

The settlement of the quarrel of twenty years with the United States brought more prosperity to Colombia than anything that has ever happened to her. Her revenues have tripled since before the World War. The payment of the first instalment in 1922 did not

help as much as was anticipated because of a bad coffee crop. But since then things have gone astonishingly well. Professor Kemmerer headed a finance commission in 1923, which reorganized the country's banking and currency system. The progress of Colombia during the two years immediately following the reform was more marked than in any other country in the world. The public debt was reduced by one third; exchange was brought up to and kept almost at par with the dollar; without the creation of new revenues or making existing taxes heavier, the Government gained a hundred per cent. in revenue; banking and foreign trade increased 60 per cent.; and in three years exports more than doubled.

To illustrate the progress of foreign investments figures are necessary. By the end of 1925, $150,000,000 of foreign capital was invested in Colombia, mostly British and American. But in the autumn of 1928, less than three years later, the United States alone had more than $170,000,000. This was an increase in sixteen years from a scant $2,000,000. In 1927 no month passed without new national, provincial, or industrial loans being floated in the American market. The result was in that year alone we invested forty times as much money in Colombia as we did in all the years up to 1912.[1] The story of our discovery of Colombia's un-

[1] Since writing this chapter I have had the pleasure of reading Mr. Ludwell Denny's recently published book, "We Fight for Oil." In it he declares that "Washington, in the main, counts on the American economic and financial hold upon Colombia to check that country's tendency to 'go Mexican.' In 1926-27 Colombia borrowed $81,500,000 from the United States. At the close of that period Mr. Albert E. Ellis, Assistant Trade Commissioner, cabled the Washington Government from Bogotá that the Treasury deficit was over $8,000,000. There followed in April, 1928, an additional New York loan of $35,000,000. Colombia probably is in too deep as a debtor to ignore or to defy United States policy

limited wealth and of our new belief in her political stability and her friendly spirit toward us could not be more eloquently told. If ever it paid to make the *amende honorable,* it was when we righted the wrong, even if we didn't consider it a wrong, done to Colombia in 1903. By repudiating the "big stick" policy and compensating Colombia for her loss of Panama, we rubbed Aladdin's lamp for ourselves as well as for the Colombians.

Of course, the servant of the lamp was oil, whose discovery and exploitation have made possible the years of increasing prosperity for the Colombian Government. Oil has had much to do with the size of our investments, because it has created the national and provincial resources upon which Colombian credit now stands in the New York market.

The oil-fields were discovered in the last years of the World War. It was not long before the experts of our big companies were sending home reports that indicated a yield equal to Oklahoma or California. The first wells drilled were in the lowlands, near the mouth of the Magdalena, the coast of the Caribbean, and the Venezuelan frontier. But in a short time richer fields were being exploited four hundred miles up the river. The Tropical Oil Company, a lucky subsidiary of the Standard Oil of New Jersey which had picked up this concession, soon realized that a pipe-line to the coast with a capacity of ten million barrels yearly was justified. This line was opened in 1926. It is estimated that

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successfully. In reacting against her alleged bondage to the United States, both political and financial, the Colombian Government apparently has decided that the only escape is to play Great Britain against the United States, encouraging the two Powers to weaken each other."

the government royalty on the oil it carries to the coast will soon be sufficient to pay the interest on Colombia's entire foreign debt. All the large American companies are operating in Colombia: from 1924 to 1926 they increased the production fifteen times—from 400,000 to 6,000,000 barrels a year. In the autumn of 1928 these figures have materially increased.

The discovery and exploitation of matchless oil resources, following closely upon the opening of the Panama Canal, have given Colombia an important place in world politics. It is impossible to state how far the oil-fields extend, and therefore any estimates of Colombia's oil reserves are speculative. But already there has been keen rivalry between American and European groups and among American groups. So far as Americans have been concerned, their command of large capital has enabled them to get in on the ground floor and remain there. European groups, especially British, seem to be using diplomatic pressure to secure concessions.

The Anglo-Persian Company is owned by the British Government, which makes significant the part it has played recently in oil prospecting and concession-hunting near the Panama Canal. In 1927 this company offered to exploit certain government reserves on the Gulf of Darien, but their experts soon found the area unattractive and withdrew their offer. Rivalry was keen, but British and American engineers maintained friendly feeling. Bad feeling arose when American rivals tried to get into this unexplored forest country. There has been some difficulty also over concessions to British interests for mining and agriculture and for aviation in the region bordering on Panama, as well as in Panama territory. There is probably exaggeration of

the British Government's rôle in the securing and operating of any such concession. But with all the representatives of banking and oil groups of different nations at Bogotá, some of them sponsored more or less heartily by the diplomatic representatives of several great powers, Colombia has her hands full. She does not want to mortgage her national domain. At the same time she does not want to offend governments or bankers whose coöperation is essential in developing her oil resources.

For instance, the marketability of the product of one of the richest fields was held in abeyance through the fact that a pipe-line would have to cross Venezuela. But in 1927, the Colombian Government and the American oil interests were able to come to an understanding with the Venezuelan Government. Permission was given for the necessary pipe-line. Its utility is at present doubtful.

Oil alone, however, does not account for Colombia's greater commercial gains than those of any other South American country during the last two decades.

The change in American taste from strong to mild coffee has been of incalculable benefit to Colombia, which produces most of the mild grades in the world market. Colombian coffee brings a higher price than Brazilian, which is stronger. In a country where communications will never be inexpensive the extension of coffee plantations, whose product is easily carried, has been a godsend to agriculturists. Coffee might be called another servant of Aladdin's lamp. In 1908 Colombia was exporting only a little more than $5,000,000 a year in coffee: the figures for 1925 were $60,000,000. In 1926 two and a half million sacks were exported.

Coffee planting and marketing are mostly in the

hands of the Colombians themselves; and the business is run efficiently enough to demonstrate the high qualities of the native stock. It is a healthy industry, helpful to the country and creating contentment, because it is in many hands. The next largest industry is quite a different thing. The greatest plantations in South America, outside some of the Brazilian coffee plantations in São Paulo, are those of the United Fruit Company in the Santa Marta district of Colombia, near the Caribbean. Two hundred thousand bunches of bananas a week leave Colombia, nearly enough to provide a good banana apiece every seven days for every inhabitant of the United States. To handle these, American efficiency is shown at its best. The bananas are cut at just the right moment of maturity with specially constructed machinery, and hurried by trolley and flat car to the specially constructed banana steamers at the company's own loading wharves. No time, no motion is lost. American machinery handles bananas as expeditiously as it handles pigs in the Chicago stock-yards.

Sugar-cane, tobacco, cacao, rice, fruits, and ivory nuts form the bulk of an important agricultural export trade aside from coffee. Cattle-raising has developed to some extent, but Colombia is still one of the countries that imports cattle from her neighbors. The forest wealth, still remote, has been little developed. But there is much cinchona bark and rubber, as in Peru. The vast region in which the Amazon and the Orinoco have their sources holds a reserve rubber supply for the entire world, and when it is explored and systematically worked, Colombia will mount still higher among wealth-producing nations.

But we are not through! Around Bogotá iron and coal deposits are potentially an even greater treasure-

trove than the coffee plantations that cover them; and there is untold wealth in the platinum deposits. Without interruption Colombian mines have yielded gold from the earliest days of Spanish colonization. The emeralds in your jeweler's window and vaults, whether you are in New York or Paris or Buenos Aires, come from the Muzo mines, near Boyaca, and many of the pearls displayed beside them are of Colombian origin. Precious stones are a government monopoly.

Until recently Bogotá, with its narrow streets and more than two hundred thousand inhabitants, eight thousand feet above the sea, was as remote a world capital as Teheran. One could go from Barranquilla to New York or San Francisco—or even to London—more quickly than to Bogotá. There was a long river journey on two levels, interrupted by a short railway trip around the cataracts of the Magdalena. The time of the journey was uncertain; for when the water was low, steamers stuck in the mud; and when it was high, they made slow progress. But now airplanes carry one from the port to the capital in eight hours. Colombia has other large cities: Medellin, of ninety thousand, a mountain city like Bogotá; Cartagena, of seventy-five thousand; Santa Marta, the fruit center; Cali, in the Cauca Valley, a city whose growth and enterprise make it the rival of our Oklahoman Tulsa; Buenaventura, the Pacific port, which has become a hive of maritime activity since the piercing of the Panama Canal; and Barranquilla, an oil boom town, which will be a great port when the sand-bars are cleared away. This city claims over a hundred thousand inhabitants.

What Colombia needs more than anything else to make it a great nation is a railway system. Twenty years ago she had virtually no railroads, and in 1925

scarcely more than a thousand miles. What railroads have been built were influenced by the needs of foreign concessionnaires, who wanted to get their fruits and minerals to the coast. Immigration can hardly be attracted to a country where most of the people live in isolation from other parts of their own country as well as from the world at large.[2] Most of the indemnity from the United States has gone into public improvements, chiefly railroad extension. In 1926 Congress authorized the borrowing of $60,000,000 for railways and in 1927 $30,000,000 for highways. Colombia contains seventeen cities of more than twenty thousand inhabitants without railroads, six of them state or territorial capitals. Coffee still moves on muleback or in canoes. The emerald-producing state, Boyaca, with nearly seven hundred population, has only two lines of railroad within or near its borders and few highways. Colombia has not begun to move on wheels—even wagon wheels. So difficult and uncertain and costly are communications in the nearest of the South American republics to our continent that Colombia remains one of the few countries in the world where mail is not a government monopoly. One can send his letters by private transport, and in many regions the quickest way is privately owned burro express or Indian runner.

So suddenly has wealth come that the Colombian

[2] That severe but most delightful critic, the writer's wife, calls our attention at this point to a recent report of the Pan American Union, which makes it necessary to modify this statement. During 1927 and 1928 immigration from European countries to Colombia has started, the result, it is believed, of an extremely liberal immigration law, which explicitly states that "the territory of Colombia is open to all foreigners." Sweden is playing a large part in the movement. Not only are they beginning to raise coffee at the higher altitudes, but within the past year Swedish labor has been an important factor in highway and railroad construction.

Government is wisely cautious in accepting the hand so lavishly held out by foreign bankers and engineering firms. Past experience has not tended to make the Colombians feel trustful of the foreign concessionnaire in his railroad-building. Some enterprises were launched on a shoestring; others came suddenly to an end because of bad calculation or bad financing; and still others were simply a case of bad faith. Colombia has on her books payments of many millions of dollars to concessionnaires who started railroads and did not finish them, but who clamored for their money with the backing of foreign legations. It is probable that there was frequently a division of fault; but the Colombian Government in the end had to foot the bill. It is no wonder, then, that at the present time the Government has not been as enthusiastic as foreign concession-hunters think it ought to be in launching and pushing through a grandiose scheme for rail communications. Offered huge sums of money for railroads and other public improvements, the Government refuses to pledge its oil resources to get the credits. Only in the summer of 1928 did the Colombian legation at Washington deny published reports of a proposed $200,000,000 loan based upon her oil resources.

Railroad construction is proceeding, of course, but not as fast as American builders and bankers would like. One reason is the recent development of airplane service, admirably adapted to a country with the topography of Colombia. There is no story of commercial aviation progress more wonderful than that of the Colombian-German Society of Aërial Transport, known as the Scadta from the first letters of its name in Spanish. The Colombians swear by P. P. Bauer, not only because his vision and brains have built up the

most efficient private airline in the world, but because he has never asked for government aid and has always wanted to be known by his fruits. When most of the airplane lines in Europe and America were being launched with the aid of large government subsidies, Herr Bauer offered to link up Barranquilla with Bogotá on the sheer merits of performance. He had a lot of trouble at the beginning to induce people to use his planes. But in 1922 river transportation stopped because of an unusual drought. People began to learn to use the Scadta service, which, starting after breakfast, landed them in Bogotá for dinner. This was different from the eight to ten days generally lost in getting up to the capital. Then Herr Bauer carried a letter for thirty cents and delivered it inside of twenty-four hours to places where the Colombian Post-Office Department would take two weeks. In 1927 the Scadta was bringing Herr Bauer and his associates 12 per cent. on their investment; and he had a service from Bogotá to Buenaventura and to other larger cities. In the interior the small hydroplanes of the Scadta penetrate safely the forest country with mail and passengers.

In 1925 Herr Bauer flew from Colombia to Venezuela, then to Colon in Panama, then through Central America, and over to Havana, and landed at Palm Beach. This antedated by three years the Lindbergh flight over virtually the same area. But the Inter-American Airways Company, which Herr Bauer had planned with the aid of American capital, did not materialize. The creator of the Scadta had been welcomed by our officials at the canal. President Coolidge received him in Washington. Subterranean influences, that never came into the open, not only blocked his getting capital in New York, but also induced the

American Government to refuse permission for Colombian airplanes to land at Colon.

Bauer got his capital in Colombia: the people who benefited so greatly by his enterprise and organizing genius had confidence in him. But an American commercial aviation group, whose plans were still only on paper, had the ear of our State Department. Colombia was notified that the Scadta airplanes could neither land in the Canal Zone nor fly over it. Herr Bauer, undaunted, arranged a landing-place in Panama, with a gasoline launch service to Colon. The efforts to block the Colombian enterprise then made themselves felt at the Havana Conference, where the United States introduced an amendment to the Pan-American Aviation Convention which would have enabled the United States to exclude Colombian airplanes from Panama as well as the Canal Zone and thus pave the way for a monopoly by United States capitalists of intercontinental air communications. Against this Colombia successfully protested. The attempt, however, to cripple the Scadta company afforded a disheartening illustration of how commercial interests influence international politics.

Colombia's growing importance in world affairs was demonstrated by her election to membership in the Council of the League of Nations for three years in 1926, and the choice of her representative as president of the Council in the autumn of 1927. To such an honor she could not have aspired before the exploitation of her oil resources. That exploitation, of course, is almost wholly due to American participation.

Colombia owes much to the United States in recent years, and she looks to the New York money market for continued development of her almost unlimited

sources of wealth. But we must not forget that we get a good *quid pro quo*. We must not forget that our great canal is in what was formerly Colombian territory. As Colombia grows stronger, her friendship will be all the more precious to us. Applying the Golden Rule in our dealings with Colombia is the best policy for the United States and for the preservation of peace in the Western Hemisphere.

CHAPTER XI

PANAMA

WHEN we became interested in our Latin-American sister republics, there were ten in South America and five in Central America. Only in the twentieth century was another continental independent state added to this number. Writers have been floundering ever since as to the geographical location of Panama. The conventionally minded still refer to "the ten South American republics." They will not change the number to eleven! But Panama surely cannot be called a Central American republic. Although she is the link between two continents, her traditions, her political history, and her present position in world politics keep her where she belongs—among the South American states. Panama is of more importance to South America than to Central America: and in all questions concerning this republic, it is with the South American countries that the United States and Europe have to reckon. Colombia is still vitally interested in Panama—and Venezuela scarcely less interested than the former mother country. Since the Canal was opened, independent Panama contains the artery that is indispensable to the economic life of all the Pacific states of South America.

If Venezuela and Guiana claim the honor of having been discovered by Christopher Columbus, Panama can

boast that from her mountains a European first looked upon the Pacific Ocean fifteen years later. Columbus established a colony on the Caribbean side of the isthmus in 1502. The Indians exterminated the settlers. It was the first intention of the Spanish to link up Panama with the country they were exploring and settling to the northwest and north. But the realization that an ocean lay so near on the other side, followed by the discovery of the Inca civilization in Peru and the wealth that could be extracted from that country, quickly gave Panama an importance of her own. In 1519 the first mainland city of the New World was established on the Pacific side of the isthmus near the outlet of our Canal. Before Lima became the military, political, and cultural center of Spanish power in South America, jurisdiction over the continent was exercised from Panama City. During the sixteenth and the better part of the seventeenth century Peruvian gold was carried across the isthmus. Panama City was the transshipment center. But after a hundred and fifty years of interesting history and increasing prosperity, Panama was destroyed by the freebooter Morgan. The ruins of Old Panama still can be seen six miles east of the new city, now capital of the republic, which was established under the old name on a better site in 1673.

As the power of Spain spread over South America and became diversified, Panama decreased in importance. The Scotch endeavored to get a foothold on the isthmus in 1698, and were expelled in 1700. In 1718 Panama changed from mistress to dependency by being made a province of the newly created viceroyalty of New Granada. A hundred years later, in the continent-wide movement against Spain, Panama did her part. A province of the Colombian Federation, Panama elected

to remain a province of New Granada after the federation was dissolved through the death of Bolivar.

Panama seceded in 1841 and again in 1857. There was trouble with Bogotá also in 1885 and 1895. From 1898 to the final secession five years later, there was almost continuous trouble with the distant central government. The Panamans were not strong enough to resist coercive measures applied by Colombia until they finally received the not disinterested aid of the United States. In his message to Congress on December 7, 1903, attempting to justify our rôle in the Panaman revolution, President Roosevelt said that from May, 1850, to July, 1902, there had been "fifty-three revolutions or attempted revolutions in Panama." The statement was probably correct: for the President had had the history of Colombia in its relations with Panama thoroughly combed. But it was misleading, even if correct. If every "attempted revolution" in a province of Latin America is counted, most South American countries, in the first century of their history, would have a record of hundreds of such "attempted revolutions," most of which amounted to nothing at all. By following President Roosevelt's message, we might say that Argentina had no right to the provinces of Corrientes and Entre Rios, because there had been in half a century several hundred "revolutions or attempted revolutions."

Panama did not get along very well with Colombia for several reasons. The first was geographical. Bogotá was too far off. Panama was out of touch with the Federal Government. There were no strong economic interests, in the second place, binding the isthmus with the northwest corner of South America any more than with Europe or the United States or other

South American countries. Panama's prosperity, if she ever was to have any, would depend upon transit trade, just as in the heyday of Spanish colonial power.

The third difficulty, which came from the second, was the ever-growing interest of other nations—all over the world—in this little province. Foreigners first became involved in local politics through the building of the railway, which became imperative when gold was discovered in California. Then followed the canal schemes.

The United States began to be involved in the fortunes of the isthmus through the construction of the Panama Railroad by a New York banking house, which was completed in 1855. This line of less than fifty miles was a vital link in world communications for sixty years. It was purchased by the French canal interests for three times what it cost, and became the only government-operated railroad property of the United States when we acquired the French company's rights in Panama.

Spain had in mind a canal either through Nicaragua or across the isthmus before the Napoleonic wars. Alexander von Humboldt made the first canal survey in Panama in 1808, and the first actual concession was granted to a Dutch corporation by the republic of Nicaragua for the longer route in 1830. Followed numerous concessions to Americans, French, Belgians, and British, both in Panama and Nicaragua.

The building of the railway by American engineers, made necessary to cut down the distance to California, brought the first diplomatic negotiations between the United States and a European power to a head. Already, in 1846, we had promised New Granada that if we did dig a canal it should be neutral and used and

enjoyed upon equal terms by the citizens of both countries. The same clause was put into the canal treaty of 1867 with Nicaragua. But Great Britain succeeded in getting the United States, by the Clayton-Bulwer treaty of 1850, to promise the same rights in a future canal to her. The guarantee of neutrality and equal rights in the case of Colombia and Nicaragua was reasonable, seeing that the canal would pass through the territory of one or the other. But there seems to be no valid reason why the United States should have assumed obligations in regard to British subjects. The Clayton-Bulwer treaty is one of the most unnecessarily burdensome covenants into which the United States ever entered. We had to negotiate a new treaty with Great Britain in 1900 to get permission even to build the Canal. The Hay-Pauncefote treaty of 1900 confirmed both the neutrality and equality of treatment stipulations of fifty years earlier. When amendments made by our Senate were not accepted by Great Britain, and a new treaty had to be negotiated in 1901, the stipulations to our disadvantage were retained.

The successful piercing of the isthmus of Suez in 1869 made the Atlantic-Pacific canal, whether through Nicaragua or Panama, an acute international question —and one that was a challenge to engineers and financiers. In 1876 an international organization for putting through an Atlantic-Pacific canal was formed in Paris. Two years later its agent, a French naval officer, secured a concession for the construction of a Panama canal. De Lesseps, the builder of the Suez Canal, then formed a French company for undertaking this great project. We Americans didn't have enough capital. We were still feeling the disastrous effects of the Civil War; and we were at the moment debtors to European

nations—and seeking further credits—for transcontinental and other railroad projects. After a first failure, De Lesseps raised the money and work began in 1881. The British Government was hostile to the project from the start, as it had been in the case of De Lesseps' Suez Canal twenty years earlier.

De Lesseps first planned a sea-level canal, as in Egypt. But the ranges of high hills along the isthmus were too much for him. In seven years he spent $400,000,000, and the Canal was only two fifths completed. Just when he was out of funds De Lesseps recognized the impracticability of the sea-level scheme and changed it to a project with locks.

Not since the time of Law was there so great a scandal over a private financial undertaking in France as that which filled the press when it was discovered that the canal money was all gone. For several years the liquidators of the bankrupt organization struggled with a problem well-nigh insoluble, in the meantime giving a heavy subsidy to the Colombian Government for a prolongation of the concession. In 1894 the second Panama company was launched, with funds furnished by about two hundred thousand investors. For five years longer the work of excavation was continued. Then, at the end of 1899, it was evident that more money was needed. The French were faced with a second refinancing, which would probably have failed, or getting what they could out of a sale of the concession and its assets to the United States Government.

In the meantime, American concessionnaires had started in a small way in 1889 to construct a Nicaragua canal. After four years, during which nearly $5,000,000 had been expended in and around Greytown, and half a mile or more actually built, the Mari-

time Canal Company of Nicaragua failed. Those who had put money into it tried hard to get the American Government to choose the Nicaragua route instead of that of Panama. They nearly succeeded. But with the final failure, what they had done was completely lost, and the Nicaraguan Government declared the concession forfeited. Nicaragua will probably have an American canal within the next generation. The value of the work done by Americans in the decade preceding the decision to build at Panama was in bringing the French company to reason. In the final analysis, the bankrupt French group faced the alternative of getting nothing out of their Panama work, seeing that the United States was not without a route to choose other than Panama.

In January, 1902, the Panama Canal Company, frightened by the fear that we would choose the Nicaraguan route, agreed to sell out all its Panama rights and properties to the American Government for $40,000,000. This offer was accepted. But the United States could not begin to complete the Canal, and the French company could not receive its money, until Colombia agreed. On January 22, 1903, the United States and Colombia signed what is known as the Hay-Herran treaty, which authorized the transfer from the French company to the United States; gave us exclusive right to construct and operate the Canal; and full control for one hundred years of a strip three miles on each side of the Canal, but not including Colon and Panama. Colombia was to use the Canal without charge, and enjoy unrestricted passage for troops, ammunition, and war vessels, on the theory that Colombian sovereignty was being maintained. The United States was to pay Colombia $10,000,000 and an annuity of $250,000.

Public sentiment in Colombia was hostile to the treaty and refused to allow it to be ratified. The Colombian Senate was obstructionist to the last degree. There is no doubt that whatever offer we made, Colombia would have asked for more.

Colonel Philippe Bunau-Varilla, representing the French investors, began to fear that the time of his concession would expire without an agreement between Colombia and the United States. Similarly, the United States despaired of ever being able to treat with Colombia. After conferences in Washington, therefore, the French engineer instigated a rebellion in Panama, giving the leaders money out of the French company's funds, and assuring them of protection by the United States navy against any coercive measures of the Bogotá Government.

On November 3, 1903, the independence of Panama was declared. The next day President Roosevelt ordered the Navy Department to occupy the railroad and to prevent Colombian troops at Colon from proceeding to Panama to put down the rebellion. A record of quick recognition was established by Secretary Hay's orders on November 6 to the American consul to enter into relations with "the new state of Panama." Colonel Bunau-Varilla was received by President Roosevelt and our State Department as the plenipotentiary of the republic of Panama. Two weeks after the revolution broke out, Secretary Hay and the French engineer signed a treaty at Washington, granting the United States just what we wanted. This was ratified by Panama in December and by the United States Senate in February. Never has American diplomacy moved with such speed!

In the meantime, Colombia cried to high Heaven

against this unprecedented violation of the neutrality of a friendly state, which was in reality a series of overt acts, wholly against the law of nations. Public opinion in Europe was amused—and then disgusted. We were not censured for our high-handedness, because Europeans lived in glass houses. But the hypocrisy of the business made even the French, who benefited by it, scornful. Everything seemed to indicate that there had been collusion between the President of the United States and Colonel Bunau-Varilla. A large section of the American press demurred against the rather crass display of "the big stick." Hotly resenting this, President Roosevelt sent a special message to Congress on January 4, 1904, in which he said that "no one connected with this Government had any part in preparing, inciting, or encouraging the late revolution on the Isthmus of Panama." Secretary Hay told the Colombian minister that "any charge that this Government, or any responsible member of it, held intercourse, whether official or unofficial, with agents of revolution in Colombia, is utterly without justification." These denials may be technically true. But certainly this is a case where "the letter killeth but the spirit maketh alive." There can be no doubt that the President of the United States and his secretary of state were cognizant of what Colonel Bunau-Varilla had in mind, and approved it as the only solution of a problem in which the whole world was concerned. There can be no doubt, moreover, as was proved by events, that the Frenchman was in a position to assure the Panamans of the protection of the United States navy.

In later years the United States righted handsomely the wrong done to a friendly nation in 1903. The in-

demnity we finally paid to Colombia was in very fact a confession of wrong and indicated that President Roosevelt's assertions were not believed by our own Congress. The significance of the indemnity vote had been clearly brought out in the debate. It was the former President's friends who prevented an earlier passage of the Colombian indemnity bill on the ground that it would cast reflection upon his memory. The end seems to have justified the means in this case. But it would have been a more straightforward course to follow to have warned Colombia frankly in October, 1903, that if she did not agree to the construction of a Panama canal on reasonable terms, our Government would support the Panaman separatist movement that was "in the air."

The treaty so hastily signed by Secretary Hay and Colonel Bunau-Varilla, and ratified with equal haste by the United States Senate and the new republic, is the juridical basis for the construction and control of the Panama Canal by the United States. We promised to maintain the independence of the republic of Panama, thus making the revolution successful and irrevocable. We were to pay the new republic $10,000,000 in gold, and an annual subsidy of $250,000, to begin nine years after the ratification of the treaty, which was the time our engineers believed it would take to complete the Canal. The Canal was to be neutral and the republic of Panama was to have the right to transport through the Canal its merchant and war vessels, troops, and munitions free of cost, in war as well as in peace. The most important feature of the treaty was the creation of the Canal Zone, ten miles wide, extending across the isthmus from Colon to Panama, which the United States was to use, occupy,

and control as if it were her own territory. Additional provision was made for the use and occupation of other lands and waters outside of the zone which might prove necessary in the course of the construction of the Canal, or afterward for its operation and protection.

During the actual construction of the Canal the status and control of the Canal Zone was not defined, in so far as the United States Congress was concerned. It seemed better to carry on the stupendous project to completion by Presidential decrees and by decisions of our War Department. This was all right, from an American point of view. It was certainly the most effective *modus operandi* while the great work was being accomplished; but the suspicions of other nations and the *amour propre* of Panama had to be taken into account. For the benefit of world-wide and Panaman public opinion, Secretary of War Taft said on November 28, 1904:

I concur, and the Government of the United States concurs, in the construction of the treaty meaning that all these rights were given us solely for the purpose of enabling us to construct, maintain, and operate the Canal. It is not the motive that governed the conferring of those rights, but the extent of the rights necessary to enable us to secure this common object, that has been in controversy.

This statement had been provoked by the friction with Panama arising from some of our methods which seemed high-handed. For instance, in June, 1904, the governor of the Canal Zone had put the Dingley tariff into effect, and had opened custom-houses and post-offices. Panama had promptly protested that this was a violation of the American agreement. Following his

statement, Secretary Taft and the Panaman Government negotiated an agreement to be in force until a formal treaty was concluded and ratified. By it the United States agreed not to interfere with transit trade, and to limit articles imported into the Canal Zone to those described in Article XIII of the treaty of 1903, and fuel. There was to be free trade between Panama and the Canal Zone. Panama stamps, surcharged C.Z., were to be used. A treaty was concluded in 1906 in which Panaman trade interests were protected, to the satisfaction of local merchants. But an additional article permitted Panaman territory to be used by the United States, and the Panaman Government to coöperate automatically with the United States, "during actual or threatening hostilities in which the United States might become involved." In time of peace, also, the armed troops of the United States were to have the right of free transit through Panaman territory for maneuvers or other military purposes, including aircraft flying. On August 24, 1912, the American Congress passed the Panama Canal Act, which gave the effect of law to all Presidential decrees for the government and sanitation of the Canal Zone and for the construction of the Panama Canal, and also ratified all agreements made with Panama by the President, the War Department, and the Department of State.

In the meantime, work had been progressing speedily and encouragingly. The first great success was in sanitation. The French had failed because of the high mortality and impaired efficiency of labor. By a fortunate coincidence, Major Walter Reed of the United States army had succeeded in proving that yellow fever was carried by mosquitos just at the time when the ability

to protect labor in the tropics was an invaluable asset to the constructors of the Canal. The two other important contributory factors to success were the financial backing of the project by our Government, and the ability to command the services of the American army, which had just completed five years of invaluable training in the Philippines, Cuba, and Porto Rico. Had the Canal project been started before 1898, we should have had army officers and men unaccustomed to and inexperienced in dealing with Latin-Americans and living under tropical conditions.

Piercing the Isthmus of Panama was so much more difficult and costly an undertaking than Suez that it is no wonder private French initiative failed. The Panama Canal Company had to go to the public for its money, and it had to recruit its personnel and organize its staff among civilians. And yellow fever had been a disease with which medical science did not know how to cope. The French did great work in the initial stages of construction at, or only slightly above, sea level. But they could never have made the Culebra Cut, a three hundred foot wide channel of a hundred and twelve foot depth, dug for nine miles through a mountain. Nor could they have built the Gatun Dam. For they had neither the financial means nor the organization. Three hundred and seventy-five million dollars had been expended when, on September 27, 1913, a sea-going tug passed through the locks and anchored in Gatun. Two weeks later a dynamite charge opened the last barrier to the Pacific, and the first steamer went through in November.

The Panama Canal was opened on August 15, 1914, a fortnight after the World War broke out. Traffic was interrupted by land-slides in October, and again in

November and December. But before the end of the first year twelve hundred vessels had gone from ocean to ocean. The progress has been steady ever since then.

The Canal Zone, where so great an investment was concerned and so vital a world artery was in question, simply had to be established by the United States. No other plan would have succeeded. A condition and not a theory confronted us. Money had to be poured out. All the available water-supply had to be brought under control. Disorder and plague could not be tolerated. There was no choice for the statesman charged with the conduct of American interests in 1903 and 1904 but to insist upon a transfer of actual sovereignty of the two banks of the Canal to the country which was going to build and operate the Canal. And then, when the question of defense came up, the controlling power was under obligation to all the world, as well as to its own citizens, to fortify the Canal and to make agreements with Panama about providing for a free hand in the defense and the coöperation of Panama herself in the event of war.

In the midst of the World War, when our fourth child arrived in Paris, the American ambassador came to congratulate us. Looking down at the day-old mite he said: "You wouldn't have minded not having this child, and you could have gotten along without her. But now that she is here, you can't do without her and you will always do everything for her as long as you live." We have thought of that shrewd observation as it applies to the United States and the Panama Canal. We did get along without the canal for a hundred and forty years, although we had been talking about it most of that time. But since we have had it, it has become as much a necessity in our national life as anything that

we possess. We learned at the time of the Spanish-American War what it meant to be without a Canal. Since it has been opened it has come to be an indispensable factor in our economic life and in our plans for national defense. Nothing could cause us to neglect, much less to part company with, this child of ours. It is a proud day for every American—that first time standing on the deck of a steamer and passing through the Panama Canal. Never has God let man get so completely the better of Nature!

The Canal furnishes a waterway between our Atlantic coast and the States of the Pacific. It brings us incomparably nearer by water to the Far East and the Philippines. It opens up trade facilities between the great manufacturing centers and the cotton-growing region of the United States and Asia, Australia, and the west coast of South America. From Lima to Liverpool used to take a week less than from Lima to New York, to give only one illustration. Before the Canal we had no round-the-world steamship service under the American flag. We are stewards also for the other nations. What benefits us benefits them. Europe has gained by the Panama Canal hardly less than she gained by the Suez Canal.

It is lamentable to read the tirades of some American writers on the "oppression" of Latin-American peoples, following our building and control of the Panama Canal. The Canal is blamed for our interventions in Central America and the West Indies, and for launching us in imperialistic adventures. But there is another side to the picture. What nation has gained more by the Canal than Panama herself? And next to her Colombia and Costa Rica? And then Venezuela, Peru, Ecuador, Chile, and Nicaragua? The Canal has

made more accessible to these countries not only the outside world, but parts of their own territory! The credit side of the ledger so overwhelmingly surpasses the debit side that we wonder why any one is complaining. Of course Colombia had just cause to consider herself badly treated. And Panama, since the beginning of her independence—which she owed to us—has had to pay the penalty of her international importance. In this respect she is like Egypt. We may speak of the injustice and insult of "a virtual protectorate." But could the status of Panama in relation to the United States be other than it is? And are there not compensatory advantages?

Whoever knew Colon and Panama a quarter of a century ago and visits them now is amazed at the prosperity that has come to these cities through the Canal. And greater than prosperity is the excellent health conditions where there used to be continual pests. Between 1905 and 1912 the death-rate per thousand decreased from about 50 to 20. The entire republic of Panama has shared in the miraculous results of the Canal Zone's war against fever and plagues. And the great world ports on the Pacific and Atlantic outlets to the Canal give Panama a prosperity that she could never otherwise have attained. This is not a hectic prosperity confined to a few merchants and hotel-keepers. The solid financial foundation put under the republic by her Canal money and the salubrious conditions now reigning everywhere have brought a splendid stimulus to her people to develop every kind of natural resource, especially agriculture. No fact is more significant than that the jungle is disappearing far beyond the five-mile zone. Everywhere near the American flag plantations have taken the place of forests.

The soil of Panama is very fertile. But very little of the land is occupied and cultivated. The half-million inhabitants are mostly along the coast where are found the banana, cacao, sugar, cocoanut, cultivated rubber, and coffee plantations. Timber and forest products still await intensive exploitation. When one considers how accessible and narrow this country is, it seems incredible to think of it as still partly unexplored. And yet there are regions into which few civilized men have ventured. Only recently did we hear of white Indians, several of whom were brought to New York by Mr. Marsh, who discovered them. Immigration is solicited, and the Panama Government has shown its eagerness for internal development by starting an expensive road-building program in 1923. With communications established, a new era of growth is looked for.

But Panama and the United States have not got along as well as they should during the quarter of a century that their fortunes have been linked together. In 1912 we supervised the national election, at the request of the Panama Government. Coming at the same time as the Panama Canal Act, this intervention created considerable feeling against us, which still exists. Many Panamans are outspoken in their sympathy for Nicaragua and Haiti. But Panama fulfilled her obligation of declaring war against our enemies. She followed us by four days in 1917. After the World War, our settlement of the Colombian dispute, which led to the recognition of Panama by Colombia in December, 1921, should have been considered a helpful act and a gracious gesture on our part. But ill-feeling against us had been aroused anew by our interference in the long-standing boundary dispute with Costa Rica.

The Costa Rican frontier had been a question in which Costa Rica was the under dog, bullied by big Colombia. The President of France had been the arbitrator in 1900. Costa Rica, the little fellow, could not get the award into a treaty with Colombia. Then came the secession of Panama, and Costa Rica was now, if not a big fellow in relations with the new republic, at least powerful enough to insist upon Panama making up her mind what she was going to do about the Loubet award. The matter dragged on for a decade. Both countries, yielding to the pressing advice of sister Latin-American republics, agreed to refer the question once more to arbitration. Chief Justice White of the American Supreme Court, after careful study of the case, agreed that President Loubet had been right in the first arbitral decision. Panama refused to accept the award. The question was in abeyance throughout the World War, but became acute again when it was the fashion to threaten to fight over undefined frontiers in the early nineteen twenties. Costa Rica occupied her line by force in 1921, invading in some places what was really Panaman territory. The local Panaman forces drove the Costa Ricans out. Costa Rica mobilized and threatened war.

This was one of the first Latin-American crises that confronted Secretary Hughes when he assumed the portfolio of the State Department. He sent identic notes, demanding a truce until the United States could consider the question. But with the Costa Rican army mobilized along the frontier the situation was most critical. As soon as Secretary Hughes examined the papers, he summoned Panama to accept the arbitral award of the President of France, reaffirmed by the Chief Justice of the United States. Panama refused.

President Porras telegraphed his minister at Washington to appeal against the Hughes ultimatum over his head to President Harding. Harding refused to intervene, and Secretary Hughes would not listen to Panama's desire for a third arbitration—this time The Hague Tribunal. Costa Rica thanked the United States. The United States marines ousted the Panaman forces from the disputed territory, and engineers named by Chief Justice Taft drew the frontier line.

Even then Panama steadfastly declined to agree to recognize the frontier so promptly and rudely drawn. Only in 1928 did Panama and Costa Rica get together to enter upon direct discussions concerning this line. The question is not yet settled at the time of this writing in the summer of 1928. The attitude of the United States, leading to the landing of marines, created as much bitterness in Panama as our intervention in the general election of 1912. Greater feeling was aroused eighteen months later by the joint resolution of Congress authorizing the abrogation of the Taft agreement, the second decade of whose life was drawing to a close. This legislation released President Coolidge from the Canal Act of 1912. The President acted cautiously, as usual, and waited until the feeling had seemingly died down before issuing an executive order on May 28, 1924, terminating the Taft agreement and opening the way for a new treaty of commerce and amity with Panama.

The Panamans were profoundly dissatisfied with the loose operation of the Taft agreement and the interpretation put upon its provisions by the United States. They felt, with vehement bitterness, that the way the United States monopolized the Canal Zone trade, using the Panama Railroad, and winking at smuggling, was

a violation of the spirit, if not the letter, of the understanding between their country and the United States. They charged that the American commissary was underselling the natives in supplies for vessels passing through the Canal. They declared that the Panama Railroad, an American Government organization, was engaging in private enterprises to the detriment of citizens and the Government of Panama. They warned the United States that the Canal Zone had only been leased, and that its occupation by the United States did not imply ownership but only control so long as the stipulations of the lease were observed.

All this discussion led to the failure of getting a treaty through the National Assembly to replace the old agreement. A treaty of commerce and amity was concluded on July 28, 1926, which confirmed the treaty of 1903 in all points, and which gave in addition complete control of Panama to the United States during periods of actual or threatened hostilities. On January 3, 1923, after the National Assembly, refusing to ratify the treaty, had directed the president to reopen negotiations, a note was sent to Secretary Hughes, making precise for the first time since the independence of Panama the real position of her people and government as to the rights and pretensions of the United States. This note declared that the convention of 1903 was rushed through in a hasty manner and "signed some time around midnight in the private residence of Mr. Hay two or three hours before the arrival of the commissioners from the infant republic in Washington, as if an endeavor was being made to the effect that no Panamanian plenipotentiaries should negotiate the Canal treaty." The hasty treaty, to which Panama had really not been a party, contained more concessions than

the former Canal treaty between the United States and Colombia. And after the United States got the Canal Zone, the United States developed Ancon and Cristobal, ports adjacent to Panama and Colon, as if they were American territory. This made the two principal cities of Panama "dependent upon the terminal ports of the Canal for foreign commerce." And yet Article II had specifically excluded the harbors of Ancon and Cristobal from the Canal Zone. Panama never realized that she was going to lose these ports because of certain rights mentioned ambiguously in Articles VII and IX.

The new treaty provided that Panama should consider herself in a state of war whenever the United States became a belligerent; should allow the United States during any period of actual or threatened hostilities control and operation of wireless and radio communications, and anything pertaining to the air throughout her territory; control and direction of all military operations in any part of Panama; and right of free transit, after due notice, of American armed forces throughout Panama "for maneuvers or other military purposes at any time."

When the United States intimated that the treaty contained only what was essential for the proper protection of the Canal, in the interests of Panama and the whole world as well as of the United States, the National Assembly of Panama passed a resolution on January 26, 1927, putting itself on record against the treaty in a most explicit fashion. It was the feeling of the assembly that, as "some of the stipulations of the treaty had produced a profound impression upon the people of Panama and had kept them in a state of great anxiety, further consideration of it should be suspended until the Executive should have an oppor-

tunity of renewing negotiations in order to find a solution satisfactory to the aspirations of the nation."

The treaty had a bad press in Latin America and in Europe. It brought up against us the old accusation of imperialism. The effort to make Panama a protectorate was denounced as inspired by "great capitalistic syndicates, which limited national sovereignty by establishing financial policies for the American Government to justify coercive intervention in the affairs of other countries," as Dr. Palacios, president of the Latin-American Union, put it. The statesmen of Panama came in for criticism also for ever having signed such a treaty. What they had done was called a breach of "Ibero-American solidarity," which put them in the unenviable class of those who had yielded to force in Cuba, Haiti, Santo Domingo, and Nicaragua. Stung to the quick by this criticism, Dr. Morales told the Eighth Assembly of the League of Nations that at no time during the negotiations had there been the slightest tendency "to impose onerous or humiliating conditions upon Panama."

However, the discussion of the proposed treaty by the League of Nations at Geneva in September, 1927, indicated the intention of Panama to appeal against us to world-wide public opinion. Although he defended the action of his Government in signing the treaty, Dr. Morales criticized the stand of the United States, in his address before the League Assembly, and declared that it was "unthinkable" that the United States "in a dispute with a small, weak country," should refuse to submit to arbitration and assert the right to impose its own interpretation of the treaty of February 26, 1904. He stated that the treaty would not be ratified by his country unless the sovereignty

of Panama over the Canal Zone was recognized by the United States. Panama was willing to arbitrate, and wanted the support of the League of Nations in bringing the question before The Hague Court.

Our State Department promptly retorted that the League of Nations had nothing to do with the Canal Zone. This, of course, was true. But the eyes of Latin-Americans were opened to the fact that the United States did not intend to submit to arbitration any question which she believed affected her national security. For better or for worse, now that the Canal was in operation, the United States intended to decide unilaterally all questions of this character. Panama has not ratified the treaty of 1926. But we have gone ahead with measures for the defense of the Canal, and have acted consistently as if this question were settled. On March 19, 1928, a giant gun, weighing two hundred and twenty-five tons, specially designed for Canal defense, was put into place on the Pacific coast. At the Havana Conference our delegation assumed that the treaty of 1926 was in force, despite non-ratification. The Government of Panama has hotly protested against this attitude. The reasonableness of our measures for the security of the Canal they might admit. But they feel that we have tried to use our position in their country to further our commerce and especially to create a monopoly in commercial aviation for an American concern. An eminent citizen of Panama told us recently, "It is not coast-defense cannon that we object to, but your ugly dollar diplomacy."

The rôle of benefactor is not an enviable one, whether it be a nation or an individual that assumes it. We believe that we have done great things for Panama, for Latin America, for the whole world, by com-

pleting and maintaining the Canal between the Atlantic and the Pacific. We think that others have benefited by it as much as, if not more than, ourselves. It has not been only with Panama and Colombia that we have had our troubles. From the very beginning it seemed unfair to the people of the United States that American vessels, engaged in internal trade, should have to pay Canal tolls.

The treaties with Great Britain provided for equal treatment of all nations in Canal tolls. But many eminent Americans, fair-minded and good lawyers, believed that this provision of earlier treaties did not cover vessels engaged in the coastal trade of the United States. Only ships of American registry can engage in this trade. By remitting their tolls we were not exercising discrimination. At least, so it appeared to Congress and to President Taft. The Panama Canal Act of August 24, 1912, provided that no tolls should be levied on coastwise vessels of the United States. Great Britain immediately protested, and suggested that the interpretation of the treaty be decided by some impartial tribunal. The United States refused.

American public opinion was divided as to whether or not we had violated the Hay-Pauncefote treaty. President Wilson thought we had, and one of his first acts was to demand the repeal of the tolls exemption clause in the act of 1912. Congress yielded; but the Senate made it clear that rescinding the clause did not mean giving up the right. The question was raised again in 1921, and the Senate passed the tolls exemption clause once more. The House refused to agree. The question is not settled. It should be compromised in some way with the British, for their sake as well as our own. Americans feel that the British objection is

really an effort to prevent the growth of our merchant marine, seeing that tolls exemption in no way discriminates against them. They are barred from the trade which it would benefit. But they have the nightmare ever before them of a competitive American merchant marine. From the American point of view, it seems untenable that this hindrance should exist in connection with our own Canal when it is a question solely of our internal trade.

Soon the problem is going to arise of how to take care of increasing interoceanic traffic at Panama. With increased water facilities it is possible for the present Canal to handle fifty million net tons per annum. We have more than half that now. If traffic increases during the next decade as it has during the last, the maximum facilities of the Canal will be reached in 1960. But long before that the delays will become serious to the world's shipping.

So we have the old question arising once more of Panama versus Nicaragua. A third set of locks at Panama would cost $100,000,000 at the most, and the reservoir to cope with it between $10,000,000 and $12,000,000. This would provide Canal facilities for a couple of generations ahead for a little more than one tenth of the sum that would be required to cut a second canal through Nicaragua. The Panama Canal, including fortification expenses, and the indemnity to Colombia, has cost us only half of that. But one thousand miles would be saved to our internal traffic from the east coast to the west coast by having a Nicaragua canal. And we could settle the question of tolls before we built it! Consequently, when the need becomes pressing, there seems little doubt that our own traffic considerations will point to a second ship canal through

Nicaragua. With the devolpment of ocean-borne trade between our two coasts the saving in time and money would offset the greater cost of construction.

But that is far away. For all present needs the Panama Canal suffices. It suffices for us and for the world. We should do well to apply the Golden Rule in the use of our privileged position in Panama. This little country, with four hundred miles of coast-line, and at no place much more than a hundred miles wide, with a population of mixed blood, including more than 10 per cent. of negroes from the West Indies who have retained British citizenship, with its undeveloped regions still inhabited by savage tribes, could easily be made friendly. Insistence upon military security for the Canal does not mean the interpretation of Canal Zone rights in aviation in such a way as to create an American monopoly. Above all, instead of telling the Panamans that we have made them independent and important, we should realize that a fortunate geographical position has some natural privileges appertaining to it.

Panama is not our creation or our plaything. Two years ago was celebrated the centennial of the first Pan-American Congress, convoked by a South American. Delegates from all the American states gathered at Panama for the unveiling of the commemorative monument which had been voted by the Santiago Conference and for the inauguration of the university named after the great liberator. Panama is the hyphen connecting geographically the two Americas. Here in 1826 the dream of a united America had its first attempt at realization. The present position of the United States in Panama is more than a privilege, more than a responsibility. It is an opportunity. And if we view

it as an opportunity, we shall help to make true the words of Simon Bolivar, who said at Panama a hundred years ago:

When, after many centuries, posterity shall search for the origin of our public law, and shall recall the compact that unified its destiny, they will handle with respect the protocols of the Isthmus. Where, then, shall the Isthmus of Corinth be in comparison with the Isthmus of Panama?

CHAPTER XII

VENEZUELA

THE United States of Venezuela, with four hundred thousand square miles of mountain, plateau, plain, and river basin, enjoy local self-government, in theory at least, as fully as does the country on which their Government is modeled and from which their name is taken. Being the mother of republics is an awkward responsibility. If we do not know our child, it is because of differences in climate and origin of population rather than in abstract governmental theories. The constitutions of South American countries contain few flaws or false ideas of government, and Venezuela's least of all. On paper they match us. Here is a country with twenty separate states, each administered by its own government and president. Its three territories, whose governors are appointed by a federal president, are administered by the national Congress. The states, irrespective of their size and importance, are represented by two federal senators. The members of the lower house are chosen by direct vote of the people and apportioned on the basis of population. This sounds like us—so far! It is in the executive power that Latin-American countries have found their constitutional foes. The president of Venezuela is elected for seven years, not by the people but by the Congress.

The only city of over one hundred thousand in a

nation of three millions is Carácas, the capital. None of the states except Lara has over two hundred thousand. With Colombia this country shares the honor, if not the advantage, of being the nearest of South American republics to the United States. It is the only one of the South American states except Brazil to have a common frontier with a European power, being a neighbor of British Guiana. North, south, east, and west it is watered by the Orinoco River, which breaks into a large delta before it reaches the Atlantic. Colombia has a Caribbean and a Pacific coast-line: Venezuela has a Caribbean and an Atlantic coast-line. All other countries of South America are washed by the waters of only one ocean.

Venezuela's inland frontiers have caused a great deal of trouble for her and for her neighbors. Within our own memory they nearly brought the United States into war with Great Britain. This crisis led to the settlement of the British-Venezuelan frontier. But exactly where the frontiers with Brazil and Colombia pass none knows, because they have not been wholly explored, let alone surveyed.

Most of Venezuela, like Colombia and Ecuador, lies within ten degrees of the equator. But it is blessed with an extension of the Andes cutting straight across it, north of the Orinoco, into the Caribbean. The mountain section, with its three ranges (some peaks are over fifteen thousand feet) and two plateaus, has a temperate climate that makes the country tolerable for Europeans. And yet there is a great difference between the use of this blessing in Venezuela and in the other countries. Quito and Bogotá, far back in the high mountains, are the centers of thriving white men's countries, and of the principal economic as well as

cultural life of the nation. We have seen the same in Bolivia. Venezuela has her capital high up, it is true, and yet near the sea. The thickly populated regions of her territory, unlike those of Bolivia and Colombia, are not from one to two miles above the sea. She has a tropical population with very little pure white blood; and immigrants have come mostly from the West Indies, gradually bringing an infusion of negro blood which is noticeable everywhere. Virtually no Europeans cast in their lot with Venezuela; and the North Americans who come are connected with the oil industry. They tell you they intend to get out just as soon as they can.

And yet the whole coast of the Caribbean is attractive. Down to the water's edge grows the luxuriant tropical plant life, and on the rising ground behind forest-clad slopes lead up to the mountains. There is none of the bareness, so monotonously repellent, of the Chilean and Peruvian coast. It is hot, of course, but the country is alluring. No wonder Columbus, on his third voyage, thought he had found a Heaven upon earth, as his ships veered around Trinidad. We are not surprised that the adventurous discoverers of the early days, from Columbus to Balboa and Raleigh, were keener about Venezuela than Virginia, and were more tempted by the Orinoco than the Hudson.

This extension of the West Indies was the first bit of mainland in the Western Hemisphere to be discovered, and the first country of America to receive a name. The explorers found an Indian village on piles in the water along the shore of Lake Maracaibo. "Little Venice!" they said to one another. So we have had Venezuela since that day.

In the middle of the sixteenth century the Spanish

established a captaincy-general at Carácas. But throughout the colonial period little attention was paid to Venezuela, because no gold or silver had been discovered there. Despite its comparative nearness to the mother country, the Spanish did little to establish footholds on, and explore the hinterland of, the south coast of the Caribbean, or to sail up the Orinoco. Before as well as after the defeat of the Great Armada they were fearful of venturing far from their island possessions in the West Indies because of the exploits of Drake, Frobisher, and other English privateers. They preferred the longer and less hazardous journey to the west coast of South America, and the surer riches of Peru. Early expeditions into the interior had resulted in calamity. In 1530 Ambrose von Alfinger went into the interior, following the Orinoco. But through the desertion of his followers he perished. In 1540 a brother of the conqueror of Peru, hearing of the fabulous wealth of the Incas, supposed to be stored somewhere in the unknown region where the headwaters of the Amazon and the Orinoco met, set out from Quito with a large force. He managed to return, stating that he had been through hell. Other Spaniards attempted to succeed where Pizarro had failed. The last of these was Berreo, governor of Trinidad, the rumor of whose exploits reached England.

Because serious-minded clerks of the British Foreign Office went back three hundred years to establish a claim, at a time when Great Britain and the United States were trembling in the balance of war or peace, Sir Walter Raleigh's expedition to Venezuela gained added luster and importance, although it was of itself a fascinating exploit. Sir Walter, intent on recapturing the favor of Queen Elizabeth, decided to explore the

Orinoco to find the magic city of Manoa, the original El Dorado, on a supposed lake of Parima. All one had to do to find it was to sail up the Orinoco! Raleigh sent out a lieutenant, Captain Whiddon, in 1594, and the next year he himself sailed for Trinidad, engaged in a coast war with the Spanish, and started up the river. After fifteen days he saw the mountains of Guiana, and made an alliance with the native king. Then he went back to England to write about "The Discovery of the Large, Rich and Beautiful Empire of Guiana." The stories it contained rivaled those of Munchausen. But none followed him to push on to the mythical Manoa. Raleigh soon found his way to the Tower, where he was imprisoned until he was beheaded. His expedition contributed to a legend that persisted through centuries —and was used finally to substantiate the claims of his country in the Venezuela boundary dispute.

Carácas was one of the starting points in the revolt against Spain. There a group of rebels proclaimed the independence of their country on July 14, 1811. It took them ten years to defeat the Spanish, whose power was definitely broken in the battle of Carabobo on June 24, 1821. The importance of the Venezuelan struggle spread far beyond the confines of this neglected region because of the part played by Simon Bolivar, whose statue was unveiled by President Harding in Central Park a hundred years later. We have spoken already of Bolivar's commanding rôle in freeing South America from the yoke of Spain, and of his prophetic vision, which was catholic and not regional.

Under Bolivar, Venezuela was only a part of the country he dreamed to establish. But at his death an independent political organism was created, distinct from Colombia and Ecuador. Venezuela became "sov-

ereign and independent" at the end of 1829, although Spain did not legally recognize the loss of the country until the treaty of Madrid in March, 1845. Owing to the nearness of Venezuela to the West Indies and the confusion of the Paez dictatorship, Spain hoped for nearly a generation to restore her authority on the mainland of South America through Venezuela. This hope seemed reasonable because of the proximity of British, Dutch, and French colonies on the mainland. No Spanish historian has as yet adequately explained why it was not realized when it should have been.

In 1849 Paez followed the path of most dictators—into exile. After a decade of civil war, during which the leader in power, Monagas, anticipated Lincoln by nine years in abolishing slavery, Monagas was replaced by Falcon, who created the federal republic, with twenty states, in 1864. Monagas came back to power temporarily by espousing the cause of unionism against federalism. Out of this new civil war issued Guzman Blanco, who managed to remain in the saddle for twenty years. He was overthrown by the revolution of 1889. Three years later a new rebel leader, General Crespo, whom this generation of Americans remembers, got himself elected president in 1892.

The Crespo régime bid fair to precipitate what would have been the greatest calamity of modern times, a calamity even greater than the World War of 1914. The boundary between British Guiana and Venezuela had never been definitely settled. The country was virtually unexplored south of the Orinoco, and its possession meant little one way or the other, as far as the principals in the dispute were concerned. With the principles it was altogether a different matter. Crespo arrested two inspectors of the British

Guiana police on the ground that they were usurping authority in Venezuelan territory. The British Government was disposed to act with its customary vigor. But Crespo instructed the Venezuelan minister at Washington to invoke the Monroe Doctrine. President Cleveland and Secretary Olney demanded that the boundary dispute be submitted to arbitration. Their representations at London left the British Government no other alternative to acceptance of the demand than war with the United States. Overnight millions of Americans, who knew little of the Monroe Doctrine and nothing of Venezuela and the merits of the dispute, became bellicose. The end of President Cleveland's term was approaching. It was not a party issue.

To say that the Foreign Office and British public opinion were surprised is to put the situation mildly. Trouble was looming for Great Britain, however, in two places in Africa. It was felt that the gauntlet would soon have to be thrown down to the French in the Sudan, where the recapture of Khartum was being planned; and the trouble between Cape Colony and the Transvaal was becoming acute. The British did not want to fight us. A few thousand miles of territory in South America was not worth any such risk as entering upon a war whose end no man could see. Also, Russia might challenge the hegemony of Great Britain in India. Our cousins overseas, therefore, could afford to be good-natured and conciliatory. The boundary dispute between Great Britain and Venezuela was arbitrated according to our wishes. War clouds were quickly dispelled.

Volumes have been written on this astonishing incident. To them the reader is referred. But it is important to note that the Venezuelan boundary crisis was

a precursor, a heralding sign, of our "manifest destiny." Less than three years later we had driven the Spanish out of Cuba, and had taken Porto Rico for ourselves. Within the following decade we had begun to complete the Panama Canal, and were entering upon a Caribbean policy that we have followed consistently ever since. With Trinidad standing off the mouth of the Orinoco, it was certainly not to our interest to see British sovereignty extended to the mouth of the Orinoco, or Venezuela become a protectorate of the British Empire.

Crespo did not long outlive the settlement of the boundary with British Guiana. His successor, the minister at Washington who had played so important a rôle, was ousted before he had been president a year. General Crespo, in command of government troops, was killed. In 1900 the successful leader of the rebels, General Cipriano Castro, got himself elected president, and managed to keep himself on the front page of the newspapers of the United States and Europe for years as the *enfant terrible* of international politics. In his quarrels with foreigners, as well as in his methods of disposing of his opponents at home, Castro is the most picturesque figure that South America has ever produced. And that is saying a good deal!

In 1900 Castro started out by arresting impartially presidents of banks and business men in Carácas. Foreign passports meant nothing to him. In the course of the fighting a British consul was murdered. There was a terrible earthquake at Carácas, from which Castro escaped with a broken leg. But the wrath of Heaven did not stop him. He announced himself as the man raised by God to fulfil the dreams of Bolivar, by which he meant that he was going to bring about the amalga-

mation of Venezuela, Colombia, and Ecuador. It was his thought that such a union would make the northern end of South America strong enough to resist the alarming encroachment of both Yankees and Europeans, which was the aftermath of the Spanish-American War. But all he succeeded in doing was to keep his country and Colombia in a turmoil that might at any moment have ended in war between them. And according to the revelation made after the opening of the World War twelve years later, the Venezuelan imbroglio nearly led to war between the United States and Germany.

Castro's high-handed performances led the British to intervene with a ringing protest against wrongful interference with British subjects, especially in the trade between Trinidad and the mainland, and non-performance of commercial obligations to investors and others. Germany and Italy backed the British protests, claiming that the Monroe Doctrine certainly did not mean that the United States was going to stand by Venezuela in her utter disregard of the rights of bondholders. Diplomatic remonstrances failed. On December 3, 1902, the British and German ministers presented an ultimatum at Carácas, and withdrew from the capital to warships anchored off La Guaira. Italy associated herself with this action.

For the first time in many decades a European fleet declared a blockade of a South American country. Venezuelan ships were seized. Argentina, remembering a similar action against her, made representations at Washington. President Roosevelt declined to act personally as arbitrator. He recommended The Hague. But the United States minister at Carácas did secure the release of British and German subjects, who had

been imprisoned after the blockade, and, when Venezuela yielded to a show of force after the bombardment of Fort San Carlos, he succeeded in inducing Castro to sign a treaty on February 13, 1903.

Venezuela recognized *en principe* the justice of British claims. She undertook to pay at once claims arising out of the seizure and plundering of British vessels and the maltreatment of the crews. Other claims, except those of bondholders, were to be referred to a mixed commission, with an American umpire. Castro promised to pay the interest on Venezuelan bonds by setting aside one third of the customs revenue of La Guaira and Puerto Cabello monthly, with the stipulation that Belgian officials were to take over the customs collections automatically in case of default. Then the dictator dramatically resigned the presidency, declaring that if the country were not satisfied with him another president should be chosen. He kept, however, all the power in the hands of his creatures. So the people clamored for him to remain in office.

We were no more satisfied than were Europeans with the Government of the country we had almost gone to war to protect. For Castro was no more friendly to us, who had not blockaded him, than to those who had. Our claims of various sorts met with persistent refusals. Washington was still in a quandary as to the best course to pursue (for we had enough trouble on our hands with Colombia), when the news came of a fresh insult to a European power. Castro refused to allow the new French minister to come ashore in January, 1906, on the ground that he had violated sanitary regulations and might bring in yellow fever. France promptly broke off diplomatic relations and sent warships to bring Castro to reason.

M. Taigny was then allowed to land, Castro declaring that if he were going to get yellow fever, he would have had it by that time. Then France put in a claim for the expense of sending the ships.

Next year Venezuela broke into the head-lines by repudiating her debt to Belgium, which called once more for the good offices of the United States. We had hard sledding in acting as mediator, because American subjects too had fresh grievances. And the French claims had not yet been paid. On top of this, Castro ordered his coast-guard vessels in 1908 to seize British and Dutch trading sloops in retaliation for the alleged harboring of his enemies in Curaçao and British Guiana. The dictator declared that in these neighboring territories plots were being hatched to overthrow him. When the Dutch minister protested, he was summarily expelled from Carácas. Holland immediately sent warships and there was a new blockade of Venezuela.

Castro, however, knowing that a storm was brewing internally, slipped off to Europe while the going was good. He landed at Bordeaux, with his wife, and said that he was bound for Germany for a surgical operation, and would then proceed to The Hague and Paris to settle the difficulties with Holland and France. In the meanwhile, the Dutch navy had captured the whole of the Venezuelan fleet and was maintaining a strict blockade of all Venezuelan ports. Gómez, vice-president, gave vent to bitter protests against Holland. But he knew that he would have to admit the illegality and lack of comity of the dictator's actions. He used the occasion to make himself president. Castro's letter of credit was canceled. Gómez announced that he would settle amicably every difficulty with European powers,

especially giving satisfaction to Holland, and that he would put an end to trade differences with Colombia. But Castro still called himself president, and gave out so many interviews in Europe of an absurd and bombastic nature that the newspapers began to treat him as a joke.

General Juan Vicente Gómez succeeded Castro on December 19, 1908. His twenty years of dictatorship have been called "the era of national rehabilitation." The Congress made him provisional president in April, 1909: he was constitutionally elected in 1910. In 1915, and again in 1922, he was elected for a term of seven years. The last time he had his son José chosen as vice-president. In 1913 Castro came to the United States, but was denied admission. He returned to Europe, and from there found his way to Venezuela. His dramatic reappearance failed. The uprising against Gómez staged by him created hardly a ripple, and he was glad to get back to his European exile.

For fifteen years after this Venezuela enjoyed peace. But on April 7, 1928, following student riots, that had become frequent since February, federal troops in Miraflores Palace, home of the president, took up arms, killed their colonel and other officers, and then marched through the city to attack the San Carlos barracks. On the way they were joined by university students. Loyal federal troops acted promptly and put down the rebellion in a few hours. The attackers were repulsed at San Carlos, driven back through the streets of Carácas, and were either killed or made prisoners. The details of this latest uprising were not made public. But they are symptomatic of the universal truth that no dictatorship, whether a forceful usurpation or a benevolent despotism, lasts forever, especially in a Latin country.

Sooner or later the man who assumes office by violence is driven from it by violence.

We do not want, however, to overestimate the importance of riots, the extent and the significance of which we know so little about. President Gómez has done great things for Venezuela during twenty years. Even if there were not the sharp contrast to the comic-opera antics of the man who preceded him, his achievements would still be remarkable. Whatever the end of the dictatorship may be, Gómez has already won a place in history.

The constitution of 1864 had been revoked by Castro, whose constitution of 1904 changed the traditional twenty states into thirteen. Gómez restored the boundaries and autonomy of the twenty states. On June 24, 1925, after years of study and discussion in commissions, the constitution under which Venezuela is now governed was adopted. The Central University, which had been closed for ten years, was reopened in 1922. In his presidential message in 1926 the dictator said:

In contact with nature, and in a position to observe things and people, I felt keenly during my youth the burden of sorrow that weighed upon our nation. The country-side was abandoned, for only a few of us dared to cultivate our estates. The cities were dead, for industry was absent. Our subsoil wealth remained unexploited, and the towns in the interior were isolated from each other. Later, during the period of fighting and civil war, I heard the lamentations and imprecations of the men who were falling from power, and I recalled the profound truth that the Holy Book of our religion teaches us when it says that human blood spilled on the earth cries out to Heaven. I vowed that if I were ever in a position to exercise a decisive influence on the destiny of our

country, I would put an end to the political agitations and to the parties and clubs that only sowed seeds of hatred and impelled men to fly at one another's throats in fratricidal strife. Providence heard my vow, and to-day we can say with just satisfaction that for many long years the soil of Venezuela has not been soaked in blood. No cry of accusation arises against us from our native land.

The rare Latin that has it in him to be a dictator possesses the driving force, the indomitable energy, the gluttony for work, the decisiveness and leadership, the skill in administration, that rival the very best a Teuton or Anglo-Saxon could display. Gómez has the qualities of a successful American business man, approachable, amiable, able to hold many things in his mind at once and give decisions on them, and intensely energetic. He has been a good picker of subordinates, from whom he exacts both zeal and loyalty. After purging the government services of drones and inefficient men, he has succeeded in livening up the people also—waking them out of their lethargy.

A Venezuelan, writing recently in a French review, declares that the long tenure of power of Gómez has made him one of the greatest statesmen of South America, and superior to any other that Venezuela ever produced.[1] It took him a long time to clear up the aftermath of civil strife of his predecessor, during which the country had relapsed to banditry in many regions. He had to be severe, ruthless. But so well has he done his political work that he was able to declare

[1] Was it this article that suggested to the French Government the happy idea of conferring upon President Gómez in June, 1928, France's most prized decoration, the *grand croix* of the Legion of Honor?

an amnesty on July 24, 1925, in a remarkable way. He announced that there wasn't a political prison any more in Venezuela, and that all of his opponents, all rebels and conspirators going back through the years, were free to return. The exiles trusted him. All came back to Carácas. Perhaps Gómez trusted them too much, in view of recent events. But the result of the long freedom from civil strife has been the establishment of a state of security which places Venezuela high among the nations where crime is rare. The criminals had been in the ranks of the bandits, and they were pretty well exterminated. Gómez enforces the law he had passed some years ago forbidding the carrying of arms, concealed or otherwise. The writer to whom we have referred, Laureano V. Lans, said in the "Revue de l'Amérique Latine," in December, 1927:

To-day there are food and contentment in every house. Salaries have doubled. City workers and farmers live well, and social democracy has followed political democracy. Freed from class distinction, Venezuela has realized the ideal of equality more fully than any other country in the world. Our social problem now consists in raising the educational standards of the masses, who, through peace and industry, can attain all the benefits they vainly demanded from exotic political principles and bloody warfare. This is the foundation of the work General Gómez has performed.

But does not the prosperity, so evident to-day, of both government and people, come mostly from oil, as in Colombia? Comparison of Colombian national finances of a decade ago and of to-day would seem to indicate that oil is king.

The rulership of one industry, however lucrative, is

not an unmixed blessing to a country. Chile has discovered that. But she has an excellent population, capable of great things. It is the same with Colombia, where only better communications to the uplands are necessary for the encouragement of the kind of immigration that has made Argentina and Uruguay. We cannot believe that the same thing is going to happen in Venezuela. It has not happened in Mexico. Oil is piped to the coast. Its exploitation does not demand railroads up into the mountains and motor roads throughout the country. Minerals make mountain railroads, as we have seen in Bolivia and Peru, where costs are staggering but not prohibitive. The railroads are there! Venezuela has only seven hundred miles of railway.

Venezuela depends upon her six thousand miles of navigable rivers and her lakes for communications. Sailing vessels and steamers are found everywhere in the interior. But they follow the paths God made for them, and do not reach from point to point, which need to be linked together in our twentieth-century civilization. For instance, the great llanos of the Orinoco reach the sea at Barcelona, and range not far back from the sea in many places. And yet, despite their nearness to the coast, they remain largely isolated. Linked by railroad with Carácas over the Andes, this corner of Venezuela would develop rapidly and there would be a revival of cattle-raising, which is the president's fad. But will there ever be this kind of a road unless gold or copper is up there?

Fifty per cent. of Venezuela is under timber, in which hard woods are prominent. The wealth of the forests is incalculable. But it cannot be reached. So it remains undeveloped. The earlier Venezuelans used to do a lot with cattle in the llanos along the Orinoco, and

the savannahs higher up afford excellent pasturage. There was not much possibility of development of refrigerating plants with foreign or domestic capital because of constant revolutions. The best cattle regions were cut off from the outside world. So the industry has declined and is not reviving. Easy money comes—too easy—in royalties from oil.

Venezuela's topographical difficulties are great, it is admitted, but they have been exaggerated as the excuse for a *dolce far niente* policy. The Gómez régime did not bring, with its years of peace, a great revival or development of agricultural or forest industries. There were the mountains to reckon with; but there was also one of the world's greatest river systems reaching to all parts of the country: there were two oceans in direct access with the outside world.[2] Oil brings Venezuela capital. But the people are not very keen about working. The Indians of the interior are wild and show no disposition to intermingle with the other peoples. The negroes, and those in whose veins runs negro blood, are a distressingly large element, living in a lazy climate. The whites as well as the mestizos do not want to work any more than the negroes. Bananas are God's gift, like dates to the Arabs; and rice, which is easily grown and easily prepared, is a natural and satisfying food in the tropics.

More than any other South American people the happy-go-lucky Venezuelans remind us of a negro story. A stranger, seeing half a dozen colored loafers,

[2] Our severest critic reminds us that there is also aviation. On his good-will tour, Colonel Lindbergh visited Venezuela, flying from Bogotá to the aërodrome near Carácas without stop. It was the first trip over the mountains at this point. From Carácas the American aviator flew to the Virgin Islands, a stretch of nearly a thousand miles, by way of the Caribbean islands, on January 30, 1928.

was puzzled as to their reason for not working. The following dialogue ensued:

"Why don't you work?"

"Why should we work?"

"To make money."

"And after that?"

"To make more money, you stupid men."

"What for that?"

"Why, when you had enough, then you could be at ease and take a rest."

"Well, ain't we doin' that now?"

Indulging in stories in a serious book is unusual, but we have allowed ourselves to do so here because this one is a splendid illustration of Venezuela among the nations—from the point of view of her native-born, white, brown, black, and red.

Live-stock, coffee, and sugar are the principal agricultural industries. The first named, we have seen, has slipped back a bit: the other two have not gained very much. Asphalt from Bermudez Lake goes in large quantities every year for making the streets of North American cities. The asphalt area of Venezuela is ten times larger than that of Trinidad, and the Government receives an export royalty. But asphalt would never make Venezuela rich. There is coal, there is lignite, there is iron. None of these industries has been seriously developed. Nor has Venezuela, like Chile, started to work over her own raw materials or establish factories to manufacture for her internal needs.

One great road has been built, from Carácas down to La Guaira and Puerto Cabello, and inland to the Colombian frontier for eight hundred miles. There it crosses the boundary river over the Bolivar bridge. Motor transport between Carácas and Cucúta, in Co-

lombia, can now be accomplished in four days. If only this kind of road-building is continued and enlarged in its scope, Venezuela as a whole may awake from her lethargy. The revenues from oil may well bring this to pass. And a British company is proclaiming to prospective shareholders that the gold they expect to get out of their mines in the state of Zulia will some day rival oil.

But we have the oil now. It has come in the same amazing away as in Colombia. Oil-fields in the northwestern corner of the country, not far from the Colombian fields, were first tried out in 1914. At that time, however, there was a long-standing boundary dispute with Colombia, which might have affected the disposition of some of the leases. Largely at the instance of oil prospectors, the two countries signed a convention at Bogotá in 1916, submitting the question to the arbitration of the President of the Swiss Confederation. He decided on March 24, 1922, that the boundary should be as the King of Spain had awarded it in 1891. This meant that the northeastern end of the Goajira peninsula, northernmost point of the South American continent, remained Colombian, thus assuring Colombia one side of the Gulf of Venezuela at the mouth of Lake Maracaibo. More important than this, however, was the certainty of those who owned oil-fields or had leased them that their titles were good. On both sides of the frontier drilling continued feverishly.

The first great strike in Venezuela was in La Rosa field, where, in 1922, the first gusher was tapped. It gave one hundred thousand barrels in one week. What has happened in Venezuela since the World War can best be shown by the figures of oil production. In 1920, the output was 457,000 barrels; in 1923, it was

4,000,000; in 1924, 10,000,000; in 1926, 37,700,000; in 1927, 58,000,000. For 1928 the estimate is 85,000,000, which is just about the output of Mexico.

Before the World War Maracaibo was a market town and port, strategically located, but of trifling importance. To-day it is a great oil boom city, of about 75,000, with money flowing freely, and equipped with numerous hotels and amusements of every kind. Twenty years ago Americans did not go there; and now the town is full of them. But two sand-bars, always shifting, at the outlet of Lake Maracaibo, have proved a serious problem to this rapid development. Often ships coming in have had to transfer much of their cargo to lighters before they risked crossing the bars. This has caused great expense and delay in the importation of machinery for the oil-fields, and it has made necessary the use of small flat-bottomed tankers, which ply back and forth between the lake and Willemstadt, where the large tankers await them. But even with this handicap Venezuelan oil gets to New York more cheaply than that of Oklahoma.

The other Venezuelan ports are more fortunate. Puerto Cabello is splendidly sheltered, with a massive seventeenth-century fortress to guard it, and receives large vessels. From here a railroad runs to Valencia. Near-by is Ocumare, coffee and cacao mart, with mountains looming around it. La Guaira, port of the capital, needs the protection of a breakwater, but has a fine deep harbor. From here in twenty-three miles the railroad climbs over three thousand feet to Carácas. The privateer Drake found his way up to this city and sacked it. On Ascension Day, 1812, one of the great earthquakes of history destroyed the city, carrying down in the ruins more than 12,000 people. Like

most Latin-American capitals, Carácas surprises the visitor with its fine buildings and parks and gardens. If the country were like the capital! But it was always the Spanish habit to settle in one spot and send out from there officials and soldiers to levy tribute, in true Roman fashion.

Venezuelans would have the right to resent the inference, however, that Carácas drains the entire country to create and maintain its luxury. That day has passed. One cannot examine the budget and the tax laws without coming to the conclusion that the people of the entire country, thanks again to oil, bear an amazingly light tax burden. Royalties are partly responsible, but to General Gómez must be attributed the credit of devising a scheme of indirect taxation which falls very lightly on small incomes.

The sudden change in Venezuela's fortunes since 1922 has radically altered her international position. Before the World War there were more Germans in Carácas than any other foreigners. They were displaced by the British. But now our development of the oil-fields has brought about an American invasion of capital and goods that is overwhelming. In 1912 we had $3,000,000 invested in this country; at the end of 1927 this had increased to $162,000,000. We brought with us our own machinery and supplies for the oil-fields, our automobiles, and our articles of wearing apparel. American goods have flooded the Venezuelan market. And with them have come American commercial travelers, American oil engineers, executives and clerks, and American tourists, every year extending more and more the traditional West Indian cruise to La Guaira. We have won the predominant place.

This does not mean that Venezuela is in debt to our

bankers, as is Bolivia. Our Venezuelan investments are in the development of an industry that helps to enrich the Venezuelan Government. The currency of this lucky country is on a par with the dollar. Venezuela does not have to pay interest abroad in burdensome amount any longer. She does not have to go into foreign markets for state loans. There is hardly a country in the world as independent financially—none, in fact, that has changed in twenty short years from a backward nation, defaulting on its foreign obligations, to the status of financial independence. The Venezuelan treasury has in bank enough gold deposits to enable it to meet all its needs without recurrence to internal or external loans. Its wealth is increasing.

The money could be spent, of course, in developing the vast hinterland of mountain, savannah, and river basin. Stupendous undertakings might be entered into that would force the Government, despite its fabulous revenues from leases and royalties, to go to New York and London and Paris for development and construction loans. But the front pages of the newspapers print poems about liberty and love, about the beauties of nature, about the delight of contemplation. The Yankees are selling goods and attending to the oil. The Yankees rush around madly all the time. Your Venezuelan does not see the advantage accruing from such a constant expenditure of nervous energy. He is like the negro who wanted to know why he should work.

CHAPTER XIII

ISLANDS UNDER EUROPEAN CONTROL

SOUTH AMERICA narrows down to a famous island at its southern point. Argentina and Chile, as we have seen, divide the ownership of Tierra del Fuego. Off the west coast of the continent are several island groups of some interest, if of little importance. The southern third of the Chilean coast is deeply indented, with islands near-by, some of them, like Chiloe, Wellington, Madre de Dios, quite large. North of the fortieth parallel the Pacific coast of South America has no marked indentations except the Gulf of Guayaquil in southern Ecuador and scarcely any islands near the coast. The Lobos Islands lie in close to Peru. Ecuador's Galapagos group, and Chile's Juan Fernandez Islands, Easter, St. Felix, and St. Ambrose, are far out at sea.

The vast Atlantic coast-line of the continent, from the Orinoco delta to the Patagonian rivers of Argentina, is like the Pacific coast in its comparative lack of indentation and the almost total absence of islands near the coast. Islands far out at sea are lacking also, once we leave the West Indies, until we reach the Falkland Islands, three hundred miles east of the Strait of Magellan. But Chile, Peru, and Ecuador own all the islands off their coast. Venezuela and Argentina do not.

The South American islands of Great Britain are

both intrinsically and strategically important. The Falkland Islands, a crown colony of the British Empire, were the last acquisition by a European power in America, and on them the Union Jack flies over the British subjects nearest to the South Pole. The first inhabitants of the Falklands were French, who settled there in 1764. They were ceded to Spain three years later. But in the meantime some English had come. In 1771 Spain gave title to Great Britain. Fifty years later, Buenos Aires, after the establishment of her independence from Spain, decided that the Falkland group belonged to the new republic, for the double reason of the absence of British settlers and the geographical location. But the Argentines, torn by civil war, were in no position to press their claim. Buenos Aires had been in a dispute with the United States over the products of the islands. The Monroe Doctrine, therefore, was not invoked when the British flag was hoisted again in 1833, and the islands were formally annexed to Great Britain. The few Argentines there returned to the mainland. Scotch settlers and English whalers took their place.

Under British rule the islands were first developed as a cattle-raising country by an Englishman who had had experience in Argentine ranching, but soon came under control of the Falkland Islands Company.

The two large islands of the group cover, with their adjacent small islands, more than 4500 square miles. The country is as well adapted to sheep-raising as is Patagonia. But they are so remote, so swept by heavy storms, so lacking in even the commonest comforts of life, that the population is only two thousand, of whom almost half live in Port Stanley, the capital. It speaks volumes for the hardiness of the Scotch that they

could come to this uninhabited corner of the world and live there for a hundred years and even hold their own. Three years was enough for the French and four for the Spanish! The few Argentines who were interested in the Falkland Islands between 1770 and 1830 rarely spent the year round there. One can say that Great Britain has fairly won title to the Falkland Islands. Before 1833 they were anybody's land who would stay there. In the decade after the Argentine independence, either Argentina or the United States could have gained and held the title to them.

South Georgia, about 900 miles southeast of the Falklands, politically depends upon them. It was uninhabited until recently, when a permanent whaling settlement began to be maintained there. The whaling industry developed in South Georgia is lucrative enough to make men content to isolate themselves from civilization.

But it is not for sheep and whales and seals that Great Britain attaches importance to the Falkland Islands. Their possession gives her a unique strategic position at the Atlantic end of the Strait of Magellan. With a coaling station and arsenal and wireless at Port Stanley, the British fleet dominates the South American southern corner of the Atlantic. In these days of detection of an enemy fleet by wireless and of speed in cruising, the British are actually right at the mouth of the passageway from the Pacific to the Atlantic. Since the World War demonstrated the overwhelming advantage to a naval power of having ports of call of its own scattered around the world, the good fortune and superiority of the British in other ways, as in ships, are patent. This advantage was first shown at the Falkland Islands. A German squadron had been cruising with-

out any base of supplies for more than four months, when it was compelled to accept battle off the Falkland Islands on December 8, 1914. The British ships issued from Port Stanley, where they had been coaling and where the wireless gave them knowledge of the position of the German fleet.

In case of a war in which Chile, Argentina, and Brazil should happen to be engaged, the possession of the Falkland Islands puts Great Britain in a position to be arbiter of the situation much more than the United States could hope to be.

A similar strategic advantage is enjoyed by the British at the northern end of the continent through their possession of Trinidad and Tobago, and the islands directly north that form the southern end of the island barrier between the Caribbean and the Atlantic. Argentina or Brazil—or, in fact, any European power —seeking to enter the Caribbean and approach the Canal along the South American coast would find the British fleet operating from its own bases, an advantage which the United States would not possess. The British position is stronger still because British Guiana borders Venezuela near the mouth of the Orinoco and British Trinidad is a sentinel on the other side of the Orinoco delta.

Geologically and logically Trinidad is an integral part of Venezuela. The northeast corner of Venezuela goes out into a narrow peninsula, from which the Gulf of Paria takes its name. The large square island of the Three Mountains is just east of this peninsula and gulf, and has a peninsula of its own in the south which stretches back westward toward the mainland. The distance across the Dragon's Mouth and the Serpent's Mouth from British Trinidad to independent

Venezuela is very slight. The Gulf of Paria is shallow. And the Venezuelan asphalt of the mainland is found also in Trinidad.

Although Trinidad was discovered in 1498 by Columbus, who gave it its name, the Spanish did not go ashore there until considerably later. They never did much to explore the island and cultivate its resources. The first settlers who established plantations were refugees from the French Revolution. Hardly had they started to cultivate, however, when the British came, who expelled the Spanish administration. Trinidad was ceded to England in 1802. The French are still the preponderant white element, and they have tenaciously kept their language. But most of the inhabitants are negroes from the West Indies, and East Indians, with a few Chinese. The British administration is a model of efficiency, and the colony has paid its way handsomely for more than a generation. This is due largely to asphalt, of which more than a hundred thousand tons were extracted in a little over thirty years, with royalties of $7,000,000 accruing to the Government.

Port of Spain, a typical West Indian seaport, is the capital. It contains a sixth of the population of the island, which, with Tobago, numbers nearly four hundred thousand. In recent years the exploitation of oil has added to Trinidad's revenues and importance. More than half of the surface of the island is cultivated, the principal crops being cacao, cocoanuts, copra, and sugar-cane.

Northeast of Trinidad lies Tobago, under the administration of the Trinidad Colony; and then come Grenada, St. Vincent, and St. Lucia, administered as the Windward Islands. Barbados, to the east, has its own government. It is a thriving sugar and cotton

colony, wholly delightful, and is the best stopping-place on the route from New York to the Atlantic ports of South America.

None who has visited these islands is disposed to begrudge Great Britain her possession of them. They were fairly won and have been fairly held. Their inhabitants are better off than those of any other islands, whether under their own or European or Latin-American mainland administration. In our own administration of Porto Rico, and especially of the Virgin Islands, we should do well to take more than one leaf from Britain's book. As Argentina and Venezuela are developing into great nations, it is not pleasant for them to have the Falkland Islands and Trinidad under European control, any more than it is pleasant for France to have the Channel Islands belonging to Great Britain and for the Mediterranean nations to have the mistress of the seas at Gibraltar. But is it not just that a nation should reap where she has sown, especially if she is, like Great Britain, a faithful steward of what has been intrusted to her? And her West Indian and South American islands stand as a permanent exhibit of what can be done for the well-being and prosperity of the people in tropical islands.

North of the peninsula of Paria the Lesser Antilles circle inward along the Caribbean coast of Venezuela. North and northeast of La Guaira, in the direction of the Windward Islands, the islands near the coast and farther out belong to Venezuela.[1] But the three farthest west are under the Dutch flag. Buen Ayre, Curaçao and Aruba are in an excellent strategic and economic posi-

[1] Venezuela has retained another famous island in the Atlantic, near the mouth of the Orinoco. Margarita, as its name indicates, is a home of pearls. The pearl fisheries there are very prosperous, bringing considerable revenue to the Government.

tion. The steamer route from Maracaibo and La Guaira passes by Curaçao. Aruba lies near the mouth of the Gulf of Venezuela at the outlet from Lake Maracaibo. The Dutch captured these islands from the Spanish in 1634, lost them twice to the British during the Napoleonic wars, but received them back at Vienna in 1814. Willemstadt, the capital, is an unmistakable bit of the Netherlands in the New World. It has a good harbor and is well fortified. The three islands led until recently the quiet life one somehow associates with the Dutch, the negro laborers raising cereals, tending cattle, and gathering salt. They speak a language unrivaled for its quaintness. It consists of Spanish, Dutch, English, and native words. But with the recent growth of Willemstadt, English words, pronounced with an American accent and idiomatically American, are gaining in popularity; and soon the negroes will use an Occidental pidgin.

Curaçao of the olden days gained its renown from a certain bitter orange from which was made the world famous drink. The islands still furnish the orange skins and the alcohol, and from Jamaica comes the rum to cut the liqueur for its flavoring effect. But the Dutch do the distilling in the home country, and the French have taken over the recipe for their *grand marnier*.

To-day Curaçao's good harbor, her lucky geographical position, and the willing and cheap labor she can house and feed have enabled Willemstadt to become a thriving and constantly growing center for transshipping and refining oil. The oil boom of the last few years in Colombia and Venezuela is responsible for this sudden and unexpected source of prosperity. The Venezuelan coast is shallow. The entrance to Lake

Maracaibo is full of sand-bars, and only ships of very small draft can get to the Colombian ports. So a part of the oil that is making Colombia rich and also helping Venezuela must find its way to the outer world via Curaçao. Venezuela would gladly exchange the islands she owns for those of Holland. And the United States would have made a better financial bargain—as well as strategic gain—had they purchased Curaçao and her neighbors instead of the Virgin Islands. These were probably not on the market, however, in any serious way even before the discovery of oil. The sentimental interest of Holland in these Caribbean possessions has always been strong.

The West Indies were the first places of settlement for European nations in the New World. They were maintained, and they thrived, because they were easy of access, and because it was possible to get cheap labor for their development from Africa. Then, too, what they raised Europe needed and was glad to get. It was harder for the revolution to spread to the islands and to transform them into republics, as happened in South and Central America, because the rebels had few ships and could not hope to get control of the sea. Haiti threw out the French, and Santo Domingo became the one island republic of the Spanish tongue. All the islands other than those comprising these two republics remained under their original masters, or changed owners through the vicissitudes of European alliances and wars. At the end of the nineteenth century and at the beginning of the twentieth century Cuba threw off the Spanish yoke through American intervention. The United States took Porto Rico from Spain, bought the Virgin Islands from Denmark, and established virtual protectorates in Haiti and Santo Domingo. The

rest of the West Indies—outer wall of the Caribbean Sea and linked between North and South America—remained under European control.

Aside from the three islands we have mentioned, the Dutch still hold the tiny islands of St. Eustatius and Saba and part of St. Martin; the French are masters of Guadeloupe, Martinique, and the other half of St. Martin. Outside of these, which are nearest to South America, the lion's share is in the hands of the British, who own Jamaica, between Cuba and the Panama Canal, and numerous little islands and groups of islands sandwiched in between the French and Dutch and Americans. The Bahama Islands lie north of Haiti and Cuba, between New York and the Caribbean, and Bermuda is in the Atlantic, between Europe and the Caribbean.

There is a current of opinion in the United States for the purchase of some or all the European holdings in the Caribbean. It is given as a way of settling the interallied debts. Especially naval officers argue that our control of these islands is strategically essential to the United States. But we are not likely to make much headway in any such plan. The inhabitants of these islands are attached to their European allegiance. And from the examples they have seen of our intervention and administration in the West Indies, it is doubtful if they could be easily won over to us.

CHAPTER XIV

GUIANA

THE rivers flowing into the Amazon near its mouth, on the north side, have their source in the high mountains and forests of a tropical country most difficult of access on the land side. A watershed shuts Guiana off from the Amazon basin, and it is almost as fully cut off from the Orinoco basin. Politically as well as geographically Guiana is an enclave in South America. Wedged in between Brazil and Venezuela, it is the only continental foothold of European powers, and it is the only part of South America in which countries other than Spain and Portugal played a colonizing rôle.

The history of Guiana up to the treaty of Vienna, in 1814, is complicated. The English explored the Orinoco basin and called all the country Guiana, with the mountains in the interior. It was a land of mystery for Spanish and English, as we have seen in writing of Venezuela. The French, in the earliest days, thought of the Amazon and of the marvelous bay that has become Rio de Janeiro. The Dutch, spice-hunting, found their way all along the coast from Trinidad to the Amazon. But the French and English preferred to make their big New World effort in Canada and along the coast of North America, down to where it began to get hot, in Florida. So did the Dutch, until they were expelled

from New Amsterdam. The earlier footholds and titles are tentative and vague, and in the later seventeenth and throughout the eighteenth and the earliest part of the nineteenth centuries, who owned Guiana or didn't depended upon alliances and the outcome of European wars.

Columbus first sighted the coast of Guiana, and here Vespucci gained acquaintance with a new world to which he, unwittingly, was to give his name. The first explorers were attracted by the mythical El Dorado. Then came the traders, Dutch and English and French. The Dutch were the first to settle in Guiana, but they were soon followed by the English in Surinam and the French in Cayenne. The Dutch settlements were called Essequibo, Demerara, and Berbice. In 1667, when Holland had to give up New Amsterdam, she received in compensation Great Britain's rights in Surinam.

Essequibo, Demerara, and Berbice, which now form British Guiana, had a checkered career until the British flag was finally hoisted for good after the Napoleonic wars. Berbice was seized by the French in the War of the Spanish Succession, and handed back by the treaty of Utrecht in 1713. The English captured it in 1781, and were ousted in their turn by the French in 1782. By the treaty of Paris, Berbice, together with the other Dutch colonies, was restored to Holland. In the meantime, the English had taken back Essequibo and Demerara within a decade of their cession, and restored them, together with Surinam, in 1764. The British captured Demerara in 1780 and gave it back in 1783.

All the Dutch colonies of Guiana were occupied once more by the British in 1796, and returned to Holland by the treaty of Amiens in 1802. The next year the

British took them again, abolished the slave trade in 1807, united Demerara and Essequibo, and changed the name of the capital from Stabroek to Georgetown in 1812. By the treaty of Vienna, Great Britain took from Holland her rights over Ceylon, the Cape of Good Hope, Trinidad, and a part of Guiana. Surinam was left definitely to Holland and has become Dutch Guiana.

French Guiana, the old colony of Cayenne, was captured by both the Dutch and English at times, and was finally recognized as French under the peace of Utrecht. During the Napoleonic wars the English helped the Portuguese in Brazil to expel the French. But France got her South American colonies back, thanks to Talleyrand, in 1814. Since the treaty of Vienna, which antedated the Monroe Doctrine less than a decade, there have been no changes of title in Guiana, where they had been so frequent before. Among themselves the three European powers have had no boundary difficulties. But the French and Brazilians did not agree upon their frontier until it was delimited by arbitration of the Swiss Federal Council in 1889. As for the British and Venezuelans, their boundary quarrel, as we have seen, nearly precipitated the tragedy of a war between English-speaking peoples. The boundary between British Guiana and Brazil was finally decided by the award of the King of Italy in 1904.

BRITISH GUIANA

The only British colony on the continent of South America is not far from Trinidad and the British West Indies. It has a splendid strategic position near the mouth of the Orinoco and the South American passage

from the Caribbean to the Atlantic. It is the largest of the Guianas, and became a single political unit when Berbice was united with Essequibo and Demerara in 1831. It has two hundred and fifty miles of coast-land, with a cultivated area of only a few hundred square miles. Then come swamps and savannahs. The vast interior is an integral part of the forest of the Orinoco and Amazon tributaries. The three rivers from which the provinces take their names are navigable for less than a hundred miles. Were it not for the up-land prairie, averaging over three thousand feet, one would say that the economic life of British Guiana would have to remain for all time confined to the region near the sea.

In more than a hundred years of unbroken peace this country, under British rule, has only three hundred thousand population, although it is larger than the United Kingdom and Wales and still bears a reputation for mysterious and unbounded wealth.

There would not be this many inhabitants were it not for the negroes and East Indians, each of whom have more than a third. The native Indian population seems to be singularly scarce. According to British statistics, there are only about 20,000 Indians scattered over a vast area. The most interesting feature of British Guiana, to the student of South America, is the success of the East Indians in adapting themselves to life on this coast. One hundred and thirty thousand does not seem a large number, after nearly eighty years. But at least half of them are native born. They demonstrate that Asiatics can take root in tropical America. In fact, they are more virile than negroes and half-breeds. The first East Indians were introduced as coolie labor to save the sugar plantations from disappearance

after the emancipation of the negroes. The second and third generation of East Indians have in some cases become independent landowners. In other cases, they have entered commerce, and have emigrated to other coast towns and to the West Indies as merchants, retaining their political allegiance and their home ties. Miss Peck, who is an excellent guide to the peoples of South America, tells us that they have better health than other races "because they dress to suit the climate, draping themselves with a few yards of native cloth in a really artistic manner."

Guiana is one of the most undeveloped of British possessions, in proportion to its potentialities, and the principal reason for this un-British state of affairs seems to be solely due to lack of capital. Capital will not go to this country because laborers are lacking to make the investment pay. Therefore, the Government is utterly unable to develop communications, and the country's resources are untouched. Only around Georgetown and in the tropical plantation belt, which is very small, is there any economic life worth mentioning. The future seems to depend upon a vigorous policy of immigration from India.

Sugar is the chief crop. Other agricultural products of the tropics can be grown. But none are noticeably developed. The potential wealth of the country is in wild rubber, forests, gold and precious stones, and in cattle-raising in the savannahs of the Amazon basin. There always has been plenty of gold in the interior of British Guiana, but, as in the case of some inaccessible fields in our own country, more money has been put into the ground than has been taken out. The goldfields are exceedingly hard to get at, and operating expenses are almost prohibitively high. For this reason

gold-mining has declined during the last thirty years, some companies having given up altogether. In 1914 the governor, Sir Walter Egerton, pleading for a railway to the hinterland, declared that the latest discoveries had indicated "the largest undeveloped auriferous area in the world." But how get at it? The only human life in the interior where gold is to be found is that of the Macusi Indians, who cannot be induced to grow any more than enough food for themselves.

It is a little different with the diamonds. Just as the British were becoming discouraged over the prospect of ever getting anything worth while out of the interior, diamonds were discovered on a tributary of the Essequibo in 1900, near the center of the colony. We have seen how coffee, which is not heavy and can easily be handled in sacks, has proved an ideal crop for the plateaus of Colombia, where there are no railroads. Similarly, diamonds, so easily carried, do not present problems like any other form of exploitation in a wild forest country. Nearly one million pounds of diamonds per annum are now taken out of British Guiana.

The backwardness of British Guiana came up in the House of Commons in 1928 and was a subject of heated debate. It was a revelation to the British that they had such a large bit of the world's surface, with an archaic form of government and a stationary population. They learned with amazement of the neglected possibilities of cattle-raising, of gold-mining, of forest exploitation. A bill was introduced and passed "to make provision for the Government of the Colony of British Guiana." The constitution had not been altered since this country was taken over at the close of the Napoleonic wars, and, in fact, was still an article of the original capitulation of 1803! An act of Parlia-

ment was necessary to give the Colonial Office authority to endow British Guiana with a constitution like that of other British crown colonies.

What shocked British public opinion, not easily shaken out of its stolidity, was the failure of British rule. British colonial rule is not accustomed to failure. Here was a colony, unable to raise money for its own development, with high infant mortality although the climate was not bad, with an annual deficit of budget, and with a stationary population. And yet timber, tobacco, gold, diamonds, platinum, copper, graphite, and all sorts of rich trees were only waiting to be taken out; and limitless pastures offered themselves for grazing.

In 1891 the few white colonists who controlled the destinies of British Guiana under the provisions of the old Dutch constitution repulsed the overtures made by Canada for a reciprocity treaty, on the ground that, if they entered into any such arrangement, one with the United States would be preferred. But now that Canada has grown so wonderfully in wealth, has spread her influence and capital to South America, and has made a trade agreement with the British West Indies, the result might be different if the overture were again made. In fact, the resentment over the parliamentary discussions and the manner of changing the colony's status is so great that some British Guianans wonder whether they would not be better off now as a province of the Dominion of Canada or as a tropical annex to Canada. One of the most influential citizens of Georgetown is reported to have said recently: "We admit faults in our past political ways, and the cumbrousness of our old Dutch constitution, but no Britisher likes to be talked to as a somewhat superior schoolmaster

talks to a somewhat naughty school-boy. We now feel stifled at times by Colonial Office methods."

Attention has been drawn to British Guiana, for the first time since the Venezuela controversy, by the House of Commons discussion. Capital and labor may now, it is hoped, both find their way to this colony. But what we learn from the discussion is that British Guiana has a salubrious climate, like most other parts of South America, once one gets away from rivers and swamps, and that untold riches in scenery will reward the tourist who has the enterprise to make for Georgetown and prepare for a trip into the interior. The Kaieteur Falls are nearly five times as high as those of Niagara, we are told, and incomparably more grand. Argentina, too, has a "greater than Niagara." Seeing will be believing. Most tourists will not see, however, until there is a railroad to the falls, and good steamship service to Georgetown.

DUTCH GUIANA

Surinam, the only one of the four provinces worked by the Dutch West India Company in the seventeenth and eighteenth centuries still under the flag of the Netherlands, is half as large as British Guiana. But it has about the same length of coast-land. The physical features in the interior are very much like those of the neighbor on the north. There are five rivers, and the alluvial land along the seacoast, before the mountains begin, is very rich.

They are still talking in Surinam of the ruin which came to this colony through the Anglo-Dutch wars. These ended in 1674, which is some indication of the hopeless outlook of the few whites who inhabit this

disease-ridden coast. Of the 100,000 population, a third are East Indians and a half negroes. The East Indians are partly Javanese. The population increases very slightly, as in the British colony. One third of the people lived in Paramaribo. There are no good roads except around the capital, and less than a hundred miles of railroad.

The Dutch, like the British, have been notably successful in colonization elsewhere. Certainly they need a parliamentary inquiry at The Hague as to why Surinam is not paying. There is sugar, and some rubber and other forest products. Gold is worked in small quantities. By the last figures, the total exports of a territory as large as the State of New York, including gold, amounted to only two and a half million dollars. Agriculture seems to be stagnant. The hinterland is untouched. The only industry of any importance is the bauxite production. The enormous beds, for which the American Bauxite Company has the concession, are only a few kilometers from French territory. This frontier was finally settled only in 1915, after three centuries of dispute.

FRENCH GUIANA

The French have the smallest of the Guianas, but the coast-line is slightly more than that of the British and Dutch. The coast has been extended by river deposits, which form islands. There are the same three zones of cultivated belts along the ocean, highland savannahs, and mountains and forests, as in the other Guianas. But French Guiana has also a swamp savannah along the coast-line, valleys behind the interior forest, and

only one important range of mountains. The feature of the colony that makes it different from the other Guianas and that has given it world-wide notoriety is the Iles du Salut, twenty-seven miles northwest of Cayenne, whose penal settlement has so frequently been held up to execration.

French Guiana is about as sparsely populated as Greenland. One cannot imagine a country with less people. Most of them are in Cayenne. There is no labor to exploit the resources of the country, aside from the convicts and ex-convicts in the gold-mining region. Consequently the great sources of wealth that exist in cattle-raising and exploitation of the forests, and probably in mining also, have never been developed. The British reproach themselves for not seeing the opportunity in their Guiana colony. The Dutch astonish one with their apathy and failure to make good here when they have done so well in the East Indies. But the French have made even less use of what they might have enjoyed from the possession, through centuries, of this foothold on the South American continent.

The population is hopelessly mixed. Aside from negroes and convicts, there are Portuguese, Chinese, Annamites, and Javanese. The few Indians are of three races. There seems to be no voluntary immigration. But some of the convicts stay after the expiration of their term.

French Guiana is a splendidly watered country, although it is not wholly explored. Cayenne is on an island just off the coast, and has a low mortality rate, but, as one finds wherever the French flag waves, the birth-rate is also low.

Many writers have detailed the horrors of the French

penal system. The settlement of Maroni receives, since 1885, only habitual criminals and convicts sentenced to hard labor for long terms. Between eight and nine thousand convicts are generally to be found in French Guiana, of whom a few are in solitary confinement in the Iles du Salut. We have talked to former convicts and to others who know French Guiana from actual observation. It would seem that the only criticism of the French Government in connection with this penal settlement is the sending of prisoners from a temperate climate into life under tropical conditions. After the campaign of a prominent Paris newspaper in 1926, it was announced by the Government that Guiana would be less used and finally given up, thus repeating the history of New Caledonia. Since then an American woman writer has given us a graphic picture of conditions in the convict colony.

Of course, the Guiana penal settlement came into prominence in connection with the case of a political prisoner who had been unjustly condemned, and whose punishment was solitary confinement. The history of that case gave a false impression of penal conditions. Most prisoners are undoubtedly deserving of their sentence. Not many are in solitary confinement. Engaged in the kind of work they do, it is open to question whether they could serve their term with less brutality within prison walls anywhere. The only problem is the effect of the tropical climate upon their health. Regarding this, opinions differ. But there are competent authorities who maintain that health conditions in Guiana are not worse than anywhere else in the tropics, and in fact are not bad at all, provided the Europeans or Americans who live under them observe reasonable precautions.

If we are to consider the three colonies of Guiana as a good illustration of what Europe could accomplish in South America, we can be thankful that the rest of this great continent is under its own control. The peoples of Portuguese and Spanish and aboriginal stock have not done badly anywhere in South America, if we compare their record with that in Guiana of the three European powers most experienced in overseas colonial rule.

THE UNITED STATES OF BRAZIL

CHAPTER XV

BRAZIL

THE traveler from New York to Rio de Janeiro experiences the novel sensation of having to turn his watch back and then forward in the course of the same voyage. This causes him to realize how far the enormous eastward projection of South America reaches and why Brazil and Argentina are nearer to Africa and Europe than to the United States. It takes as long to go from New York to Barbados as to Southampton or Cherbourg, and then there is still another eight days before the ship casts anchor in the most beautiful bay of the Western Hemisphere.

The United States of Brazil cover more territory than the United States of America, and they are watered by the largest river in the world. All of Brazil's coast-line is on the Atlantic, but its length is equal to that of the United States on three seas. At least half the population of South America is in Brazil, and this vast country has as neighbors all the republics of South America except Chile, Ecuador, and Panama. Panama used to belong to Colombia, while Ecuador, as we have seen, has always though vainly claimed common frontier with Brazil. The Chileans, then, are the only South American people who have not come into direct contact with the Brazilians in boundary questions. Brazil is the one country of Latin America whose language is not Spanish, and she has

the distinction also of being the sole state of the New World to have preserved an independent monarchical régime until nearly the end of the nineteenth century. About half of the total area is still virgin forest. No other country in the world has so many trees, most of them hardwood. The Amazon boasts of a single island, forest covered, larger than Belgium or Holland.

In the almost boundless interior some rivers still remain to be accurately mapped, and there are Indian tribes whose inclusion in the census is guesswork. The great majority of the thirty millions live near the Atlantic, with the population increasing in density and productivity as the country enters the temperate zone.

The character and distribution of the population, as well as the state of progress in the country, are largely explained by climate. The equator runs through Brazil. These United States can never be like our United States, because most of them are in the torrid zone. There is the relief of highland plateaus, as in Bolivia, Peru, Ecuador, and Colombia, only in the southeast half, where the temperate zone is approached. But the interior table-lands are remote and inaccessible.

Within five hundred miles of Minas Geraes is the most densely populated region of South America, with over eight million inhabitants. Even aborigines cannot live in great numbers in the tropical interior. There are probably not more than six hundred thousand of these. In the tropical coast states, negroes, zambos, and mulattoes are predominant. Around Rio de Janeiro on the coast, inland to Minas Geraes, the descendants of the Portuguese colonists have mixed their blood freely with negroes and Indians. The Brazilian race thus formed is numerous and has excellent qualities. But it

has not been increased by the constant infusion of fresh European blood in successive decades of the nineteenth and twentieth centuries, as in Argentina and Uruguay. The people of this region are largely what has evolved from the stock that was there in colonial days. In the city of Rio de Janeiro, of course, as in any great seaport and capital, there are many foreign strains; and a large number of Italians and some later Portuguese and Spanish have gone into Minas Geraes.

But most of the immigrants cast in their lot with the southern states—São Paulo, Paraná, Santa Catharina, and Rio Grande do Sul. This southeastern corner is strikingly different, in blood and civilization, from the rest of Brazil. The population has grown by immigration, much in the same manner as it has done with us and with Canada. In this region alone has Europe been transplanted and the home of a pure white race created. So sharp is the contrast that it is difficult to write of the southeast as a part of Brazil with common characteristics, common problems, and a common future.

Brazil became Portuguese by discovery and settlement in the sixteenth century, when Portugal exercised a world-wide influence. Her title was confirmed by the famous papal bull that divided the New World between Portugal and Spain. The Portuguese had to contend with a climate that undermined the stamina of Europeans, if it did not kill them, and with tropical jungles of which there was no end. The Amazon led everywhere—to nowhere! The gold and silver and precious stones the explorers hoped to find were not near the coast, as on the Pacific. There was no organized and numerous native population as in the Andes. Consequently, the Portuguese from the begin-

ning took to stock-raising, cultivating the soil, and exploiting forest produce. Having no Indians to work for them, they introduced slave labor from Africa, as the people of the United States and the West Indies did. The Spanish stayed in cities. The Portuguese went out on plantations. Grants were given by the crown to individuals, who developed self-contained estates worked by slave labor. They were farther off from contact with the Spanish than the different groups of Spanish were with one another. No sense of nationality or of solidarity was born in the colonists.

When Napoleon's armies invaded Portugal, King John VI and his court took refuge in Brazil. Except for the ill-fated attempt of Maximilian in Mexico, which lasted only two years, the sojourn of the Portuguese sovereign from 1808 to 1821 in Brazil is the only attempt of European royalty to rule on the American continent. King John made Brazil a kingdom, on a footing of equality with the mother country, in 1815; and when he returned to Portugal he appointed as regent Dom Pedro, his eldest son.

But while the Brazilians were ready to have a monarch, retaining the connection with the Old World was impossible in the midst of the universal uprising of Latin America against European domination. The transition into an independent kingdom was accomplished without war. The colonists did not have to win their freedom, as the Spanish colonists of South America did, by a long struggle whose sacrifices gave them a national consciousness. In 1822 Dom Pedro was proclaimed "Constitutional Emperor and Perpetual Defender of Brazil." President Monroe was the first to recognize the independence of Brazil. The new empire was endowed with a constitution; and those who

helped to create the state rallied round Dom Pedro in the effort to have its authority recognized over all that part of South America watered by the Amazon system and south to the mouth of La Plata.

They faced a tremendous task. This was the decade of the establishment of the Spanish-American republics. As we have seen, internal anarchy reigned in all these new political organisms. Argentina did not become immediately a united country. A dictator set himself up in inaccessible Paraguay. The relations between Bolivia and Peru were not defined. Ecuador, Colombia, and Venezuela were united in a confederation that lacked permanency. Great Britain, Holland, and France had retained their colonies on the coast north of the Amazon, with no boundaries staked out in the interior.

The new emperor had to enter immediately upon a war with Buenos Aires, out of which the Banda Oriental emerged as independent Uruguay. From this initial blow to his prestige Dom Pedro never recovered. He made the mistake of opposing the constitutional régime upon which his throne was established. His heart was in Portugal and not in Brazil. While factions were warring against one another in the country of which he was supposed to be the ruler, he devoted his thought and energy to securing the throne of Portugal for his daughter in opposition to his brother Miguel. In 1831 the first emperor of Brazil abdicated in favor of his infant son.

A decade of regency followed, during which Rio de Janeiro was in constant conflict with the provinces. The leaders of factions finally realized the hopelessness of the situation, which was similar to that of Buenos Aires facing the provincial leaders of La Plata. In 1840 they wisely decided to declare Dom Pedro II of age, al-

though he was only fifteen years old. As he grew older, Dom Pedro developed into an able and forceful sovereign, and after the war with Paraguay, Brazil enjoyed the advantage of the most stable and enlightened government in South America. There were many who wanted a republic, as a monarchy seemed an anomaly in South America. But it was generally agreed that this issue need not arise as long as Dom Pedro lived.

After he had been ruling nearly half a century, Dom Pedro II went to Europe, leaving his daughter and heir, Princess Isabel, as regent. During his absence she alienated the landed aristocracy by insisting upon emancipation of the slaves in 1888. Although in keeping with the spirit of the times, this act was considered hasty and inconsiderate by those who had been the emperor's stanchest friends. Gradual emancipation had already long been in effect. Children born after 1871 were free, and slaves reaching sixty became automatically free. So the disappearance of slavery was only the question of twenty or thirty years during which the agricultural life of the nation would have had a chance to adjust itself to new economic conditions.

Dom Pedro hastened home. He succeeded in staving off the inevitable for a year. But the republicans, having won over the army, executed a bloodless *coup d'état* on November 15, 1889. The emperor and his family were deported to Portugal. A provisional republican government was set up on the same day.

The constituent assembly adopted a constitution on February 24, 1891, establishing the United States of Brazil. Not only was our name adopted, but the principal provisions of the constitution followed ours—four-year term for the president, cabinet appointed

by the president, and two-chamber form of legislature, with equal representation to the states in the Senate, and representation by population units in the Chamber of Deputies. There was a federal supreme court; and the states were left autonomy in much the same wide sense as our states enjoy it. Each of the twenty old provinces was erected into a state. The city of Rio de Janeiro was made a federal district. One provision, which has not worked out well, was a departure from the American model. Each state was to have the privilege of levying export duties.

It took, however, three years of civil war and the deposition of the first two presidents to make the transition from a monarchy to a republic. The revolution started in Rio Grande do Sul, and was able to assert itself in other parts of Brazil through the defection of the navy in Rio de Janeiro harbor.

For thirty years the constitution worked fairly well. President succeeded president without serious troubles. The man who brought peace to Brazil, General Peixoto, could have made himself dictator. When he did not do this, but gave over the presidential office to Dr. de Moraes in the way and at the time provided for in the constitution, the future of the republic then depended upon the caliber of its civilian presidents. Moraes started out in the right way. He will be remembered in the history of Brazil for having eliminated military influence from the Government. His successor, Dr. Salles, restored Brazilian credit, and settled the disputes with France and Great Britain over the Guiana frontiers. President Alves settled the frontier dispute with Bolivia on the basis of exchange of territory and monetary compensation, and solved the first grave crisis in overproduction of coffee.

In 1906 the election of Dr. Penna, governor of Minas Geraes, marked the beginning of a political coalition against the ascendancy of São Paulo, from which the three previous presidents had come. Marshal da Fonseca, elected in 1910, employed German officers to instruct the Brazilian army, and had to face a revolutionary movement in Paraná to reëstablish the empire. During the World War, President Braz administered Brazil admirably, and would have been reëlected had it not been for the one-term provision of the constitution. Former President Alves succeeded Braz in 1918, but lived only one year. Dr. Pessoa, the most skilful politician in the country, was chosen for the unexpired term, and managed to get one of his friends elected in 1922. Then Dr. Pessoa passed to the bench of the World Court.

The attention of the world was drawn to Brazil in 1922 by the centenary celebration in September. Almost all the countries of the world were represented at an exposition at Rio. Among the visitors were Secretary Hughes and a powerful British fleet. Much was said about the remarkable progress of the century, during which the population had grown from four to thirty millions. But, as in Argentina that year, commercial and industrial conditions were unfavorable, and the most formidable revolution since the first republican administration was brewing.

The new president gave sentences of exceptional severity to leaders of an army revolt in the year of the centennial. The army was incensed against President Bernardes. In these troubled waters non-Brazilian elements of São Paulo fished. A conspiracy was hatched, with the aid of General Dias Lopes, to bring about the secession of São Paulo from the republic. Treason in

the army made possible a successful uprising at São Paulo, and the city was occupied without opposition. The president proclaimed martial law in the states of São Paulo and the Federal District. He retained most of the forces he could count upon in the capital for its protection, and called upon the federal states to send troops to São Paulo. In this great test of the unity of Brazil, Bernardes won out. The states obeyed. A federal army did not hesitate to bombard São Paulo and drive the rebels out. The inhabitants of this great city had for a few days a taste of what the World War brought to some European centers of population. It was reported that 20,000 people fled from the city.

There were sporadic revolts during the rest of the year, and Bernardes was compelled to proclaim a state of siege in Pará, Bahia, Matto Grosso, Sergipe, and Amazonas, which was prolonged for months. On November 4 occurred the most spectacular event of the revolution. The battle-ship *São Paulo* sided with the rebels, threatened to bombard Rio, and exchanged shots with other ships in the harbor. Pursued by the other Brazilian dreadnought, *Minas Geraes,* it escaped and took refuge in Montevideo. Cool heads among the officers, who had remained loyal, managed to persuade the crew to reaffirm their allegiance and take the ship back to Rio.

At the beginning of 1925 President Bernardes announced that only timely measures taken by the Government had prevented new outbreaks in the capital and in São Paulo. He then issued a decree prolonging the state of siege in the states in which it had been proclaimed in 1924, and extending it to Santa Catharina and Rio Grande do Sul. In his opening address to Congress on May 3 he justified this step on the ground

that the fundamental laws of the constitution, drafted at the beginning of the republic when men were thinking in terms of idealism, failed to provide the president with the necessary power to maintain order in crises. He deplored although compelled to resort to "exceptional measures." He pointed out that foreign elements, particularly in the southern states, had abused the privileges accorded them by "participating in recent revolts."

The country was still in a state of siege when Dr. Washington de Souza was chosen without opposition to succeed Dr. Bernardes in November, 1926. He had been governor of São Paulo for four years, and it was supposed that he had the confidence of the southern states. His record as secretary of justice in two administrations had been excellent. Like Premier Poincaré in France, he declared that the currency must be stabilized. But he issued no presidential message, and there was a new revolutionary outbreak in Rio Grande do Sul at the end of December.

However, economic considerations led influential Brazilians in the south to frown upon any recurrence of the separatist agitation. It was realized that the new crisis of overproduction in coffee dictated the wisdom of abandoning internal political agitation. The union had been preserved. Consequently there was no further disturbance when sentence was imposed upon the São Paulo rebels on June 10, 1927. One hundred and fifteen were found guilty and 167 were acquitted. The ringleader, General Lopes, and his accomplices received sentences of two years, and others were treated even more mildly. Despite the moderation of the court, the convicted appealed to the federal supreme court, which not only upheld the verdict but found 188 guilty and

increased the sentences of Lopes and the principal leaders from two years to ten. The calmness with which the supreme court's decision was received indicates the strength of the Government and the desire to give the solution of economic problems precedence over political agitation.

Some years ago a Brazilian consul-general told the students of the University of Pennsylvania that his country could sustain a population of 200,000,000 without being crowded. This belief, which is shared by some experts and which is cherished by many Brazilians, makes the study of Brazil's economic possibilities, and the story of the accomplishments of a hundred years, of vital importance to North Americans. We have set forth the progress and have sketched the great future ahead of Argentina. Is Brazil to become a formidable rival of the United States in the Western Hemisphere? The population increase in one century is impressive. More impressive still are the three great facts that we have already stated concerning Brazil—her area, her common frontiers with all South American countries that count except Chile, and her nearness to Europe.

"Rolling down to Rio" is a delightful sensation whose acme is reached when one enters the harbor of which Brazilians are so justly proud. One does not wonder that the French were once tempted to choose this lovely spot for the foundation of their New World colony. Rio de Janeiro of to-day is the greatest achievement of the Brazilian Republic, and what has been accomplished there since 1890 demonstrates the inherent worth of the Brazilian nation. When Americans become world travelers they begin to realize how many different races have worked miracles equal to

our own in creating new cities. Rio of the empire was a dirty town of half a million, with narrow streets and houses of flimsy construction. Traffic and sanitation conditions were indescribable. The port had no facilities, and it was dreaded of sailors, despite its beauty, because of mosquitos and fevers. The transformation has been accomplished in our own time and by Brazilian engineers and physicians. A new port was built; avenues were cut and old streets widened; filthy habitations were demolished by the thousand; a modern sewerage system was established; and to increase the area, some of the hills were cut down and their tops dumped into the ocean to add acres to the waterfront. In combating disease a world's record in decreasing the death-rate (from 38.9 to 20.4) was made by Dr. Cruz. Public buildings and hotels second to none on our continent have been erected. A unique cable suspension railway was constructed from one hill to another.

Forty years ago communication by rail was almost in its infancy, and there were few highways. To-day nearly 20,000 miles of railway link up half of Brazil with the capital, four fifths of which is the property of the Federal Government and the states. There is direct communication by rail with Uruguay, Argentina, and Paraguay. From Rio also one can go out over thirty-three thousand miles on roads passable for automobiles.

Only a few hours from Rio, the city of São Paulo has quadrupled its population in thirty years. Founded a hundred years before any city of the thirteen colonies that formed the United States, São Paulo has awakened from her lethargy only in our own times. But such an awakening! São Paulo has made up for lost time. No city of the United States has grown more

rapidly and more beautifully. Descending two thousand feet from the plateau in a distance of forty miles, a railroad leads to Santos, a thriving port of over 100,000 inhabitants of every race under the sun. The latter part of the journey is almost like falling off—as in going from Carácas to the sea. So closely does Santos cling under the Sierra do Mar that a landslide is a calamity. One of the most serious slides of her history occurred in March, 1928, when many houses were blotted out completely in the early morning, killing two hundred people in their sleep. At São Paulo, one visits the Instituto Serumtherapico, where Dr. Vital Brazil makes the serums that counteract snake-bites and that have largely removed the deadly terrors of the Brazilian hinterland.

South from São Paulo to the Argentine and Uruguayan frontiers one meets a civilization capable of becoming like our own in a country of inexhaustible wealth and agreeable climate. East of the northern part of São Paulo and north of Rio de Janeiro lies Minas Geraes, shut off from the sea by the states of Rio de Janeiro and Espirito Santo. But this inland state, with its mountains and minerals and fertile plateaus, contains a population equal to that of our Texas and larger than that of São Paulo. Still farther toward the equator are Bahia and Pernambuco, each with a population running into the millions. Bahia, in fact, follows Minas Geraes and São Paulo in population and importance. The port, commonly called by the name of the state, but really São Salvador, has a population of over three hundred thousand and was for two hundred and fifty years the capital of the Portuguese colony of Brazil. Recife, capital and port of Pernambuco, has nearly 400,000. Almost on the equator, Belem, seaport

of the Amazon and capital of Pará, has a quarter of a million. The only inland city of Brazil of any size is Manáos, capital of the vast and only partly explored state of Amazonas, which is a thousand miles up the Amazon.

But we have only touched the fringe of the real Brazil! Nineteen twentieths of the population of the country, and all its cities that are growing, are either on the seacoast or in the southeastern third of Brazil. Any such development as the enthusiastic consul-general at Philadelphia asserted was ahead of his country would be possible only if we regarded the country as a whole a field for development and colonization. Portugal had the boundless Amazon basin in her colony three hundred years before the independent empire was established. The empire had it sixty years. The republic has had it forty years.

In four hundred years no permanent settlement or administrative organization of the Amazon basin has been made. It is not even mapped! It is easy enough to dwell upon its magnitude, its amply watered alluvial plains, its forests of untouched wealth. While Africa has too many highlands and an uncertain water supply, South America's unequaled extent of equatorial lowlands seems to offer limitless possibilities. Colonel Gorgas, thinking of his triumphs in sanitation in the narrow strip of Panama between the Atlantic and the Pacific, declared that the white man would only have to conquer disease in the Amazon basin and there would be open to him the most prolific food-producing area in the world. We once heard a famous Brooklyn clergyman speak in similar vein to the American Chamber of Commerce in Buenos Aires. Said Dr. Hillis: "South America has the greatest extent of uncultivated farm-

lands on the globe, with plenty of water at hand." And add to area and fertility easy means of communication. The Amazon system contains 40,000 miles of navigable waterways! Up the main stream ocean steamers can go over 2000 miles to the port of Iquitos in Peru.

But it is not a white man's country. That it is not even an Indian's country is proved by the scarcity of population. When the capital expended in other countries to make waste land fruitful through railways and irrigation is considered, the natural waterways of Brazil appear to be inadequately utilized. But climate again is the obstacle. Where would the labor come from to develop tropical Brazil? There is no Indian labor. With African slavery legal, the Portuguese planters of yesterday never got far from the coast. And, as Professor Gregory aptly says in his recent masterly book on "Human Migration," the great drawback to a movement of population into equatorial Brazil is the fact that the temperate world takes only limited quantities of tropical produce. What it does take is already offered sufficient for its needs by regions bordering on the seacoast. The Amazon's former importance as a source of rubber has diminished in recent years through the cultivation of plantation rubber.

We have read recently of the acquisition of millions of acres of forest and jungle along the Amazon by the Ford and Goodyear interests,[1] with a view to scientific

[1] The Ford announcement is as follows: "The Ford Motor Company plan for rubber production on a large scale in the State of Pará, Brazil, is a fresh illustration of the amazing activities of modern business. The Ford Company has received a rubber concession of over three million acres in the Amazon Valley, on the Tapajos River. Settlements are to be established on the development, and steamships of the Ford fleet will make regular trips to the district. It is possible that there will be

planting and cultivation of rubber trees. We wonder where the enterprising Americans who have thus dreamed of escaping from the clutches of the British rubber monopoly are going to find plantation laborers. In the Congo and in the Putumayo region of South America forest rubber used to be collected by forced labor. This would not be permitted in Brazil. And when the rubber—or any other product—is raised, the planters will have to reckon with the autonomy in export duties of the individual Brazilian states that have once before "killed the goose that laid the golden egg."

But what about the great Brazilian plateau, with its kindlier climate, as a field for aiding in attaining the 200,000,000? The eminent geographer of South America, Dr. Shanahan, says that "practically two-thirds of the Brazilian plateau is covered now as it was originally with grasses, herbaceous plants, scattered bushes and occasional palms. . . . The most striking feature in the situation of these interior table-lands is their remoteness."

Another drawback to the colonization of the interior of Brazil is the life-taking luxuriousness of its animal and vegetable life. We have all had experience with certain kinds of candy and pastry that take away the appetite. They are too rich! Where life teems, nature provides a corrective. Where it is easy for useful things to grow, it is equally easy for parasites to grow. Nature helps man in Brazil—seemingly—as in other tropical countries. But here his fight against nature is more hopeless than anywhere else. We are told that parasites, both in the animal and vegetable world, are constantly

airplane communications between the plantations and Detroit. Details have been closed and the work is to start at once. A widespread sanitary campaign against the dangers of the jungle is planned."

destroying. Plants choke other plants. Animals eat other animals. Can the human race, immune now from the fever and poison of mosquito- and snake-bites, struggle successfully against the choking luxuriance of the jungle? Man has not yet done so, even when he was born there.

Brazil is the most striking example in history of prosperity through booms. Successive booms furnish a partial explanation of the temporary importance, now gone, of the Brazilian interior and, before that, of the early development and wealth of the tropical coast lands.

In colonial days, when gold was not discovered, the Portuguese took to raising cane-sugar, with the help of slaves. In this field Brazil had a start on every other country, and the colony became important, prosperous, and populous through sugar. But when gold was discovered, the path to easier wealth was followed. Planters went wild and pursued El Dorado. While the sugar plantations were neglected, the West Indies got into the field. A large quantity of sugar is still raised, but it is mostly needed for home consumption. Although the per capita consumption of sugar is low, there is so much demand for spirits made from sugar that South America raises no more than is needed in the continent. The last blow to Brazil's sugar supremacy came when slaves were emancipated. The development of the industry was possible, similarly to the cotton industry in the United States, only by ever-increasing importation of African slave labor. The importation of slaves for sugar plantations did not lessen until the European powers put an end to the traffic ninety years ago.

After sugar came cacao. The world supply used to

come from the Amazon basin, which is ideally suited for cacao cultivation. But Ecuador entered the field, then Venezuela and Colombia. Under European lordship the cacao industry was developed on a large scale in West Africa. With labor too easy-going to meet intensive world competition, and its cultivation too dependent on slave labor, cacao has practically disappeared from the Amazon basin. Much is still raised in Bahia. But Brazil, which used to have the monopoly, to-day supplies world markets with less than 15 per cent. of their annual needs.

Another agricultural product in which Brazil was once preëminent is cotton. In the eighteenth century her cotton was sold all over the world. It had been used by the natives before the Portuguese came, and it was a natural product, like sugar and cacao, depending similarly upon slave labor. But in the export trade Brazilian cotton never recovered from the invention of the gin in 1793, although in volume foreign shipments increased to over 600,000,000 pounds in the decade from 1871 to 1880. Only 14,000,000 pounds were exported in 1924—about 2 per cent. of the world's total. However, actual production has increased, because Brazil has learned how to make her own cotton cloth. The high protective tariff, introduced in 1909, has doubled the number of spindles. To-day Brazil, aided also by cheap water-power, can boast of manufacturing 90 per cent. of the cotton goods she uses.

The discovery of gold led to a boom that antedated those of California, Nevada, the Transvaal, and the Yukon. Greater hardships were to be overcome in the interior of Brazil, as in the Australian boom. For some years the extraction was fabulous, and it led to

a colonization in the mountains that did not long outlast the boom. Gold is now a negligible source of wealth, yielding only $3,000,000 a year. In peak years Brazilian mines produced $200,000,000.

After gold, diamonds. Adventurers from all over the world flocked to Brazil when diamonds were discovered in Minas Geraes. The diamond boom was the maddest of all, because it required little more than enterprise and daring on the part of the fortune-seeker and because the field of diamond discovery covered so wide an area. When diamonds were found in Amazonas and in Matto Grosso it was believed that the entire interior was diamond-studded. There was more exploration of the jungle for diamonds than for science.[2] In describing the city of Manáos, capital of Amazonas, Kermit Roosevelt has called it, at the height of its prosperity, "mundane and extravagant as no mining town of Alaska, the United States, Australia or South Africa has ever been. Situated in the midst of the jungle, it was the greatest diamond market in the world, and the Isle of Consciences, where every one was supposed to leave his conscience before arriving at the city, was overstocked. Even today, although its glory has to a great measure departed, it seems a remarkable city to find so situated in the wild, untamed jungle, distant from anything that may be dignified by even the title of village."

But Manáos became the center of a more solid, if less spectacular, boom than the diamond boom. In

[2] Since writing these lines we learn from a Presbyterian missionary that the diamond-seekers in more than one rush have led the way for settlers to follow. At the present moment the fertile valleys of the southern headwaters of the Amazon are being colonized. The diamond-seekers blazed the trail for adventurous home-seekers who are migrating to virgin lands through the valley of Santa Rita from the highlands of Matto Grosso.

1870 Brazil produced 10,000,000 pounds of rubber. Outlasting the Congo wild rubber industry, the Amazon production increased in forty years to 90,000,000 pounds, which was practically the entire world's market supply. At this time the demand for rubber had greatly increased, stimulated especially by the new use for it in tires of motor vehicles. In the endeavor to increase production, alien companies were granted concessions to exploit large territories in a destructive fashion. Labor was insufficient and uncertain. The states of Amazonas and Pará, feeling immune in their monopoly, put on export duties up to one third of the value. The enormous revenue pouring into the coffers of these two states made Manáos and Belem the richest cities of their size in the entire world.

Suddenly the boom burst, simply because the state governments had been taxing the exports more than they could bear. The British and Dutch had begun to raise plantation rubber, which, at the beginning, could not have been profitably done were it not for the boosted prices of Amazon rubber. In 1909 they put large quantities of plantation rubber on the market. In 1910 they sold under the Brazilian market prices. The boom collapsed. A valorization scheme was attempted by the Brazilians in 1911. But there was no hope of success, because the output of East Indian plantations was steadily increasing. In ten years the Brazilian industry declined both absolutely and relatively, until now less than 5 per cent. of the world's supply goes from Manáos and Belem. These two cities and the states of which they are capitals are, relatively speaking, "broke."

Brazil lost her rubber wealth through her own folly. But also there entered into the situation the important

factor of the cheaper and more plentiful labor of Asia. And African rubber had declined just as did that of South America. At present, rubber plantations are virtually non-existent in Brazil, and the wild rubber industry is kept alive only by the demand for the special Brazilian product in certain industries. But recently, through the public statements of Secretary of Commerce Hoover, a similar foolish attempt to extract the last penny out of a monopoly was made by the British in the East Indies. They seem to have learned nothing from the fate of the Brazilian industry. Unwilling to be mulcted, Americans, who are the largest consumers of rubber, have been thinking of the Philippines, where experimental cultivation is in progress; of West Africa, where the Firestone company has gone into Liberia; and of Brazil.

We have already spoken of the Ford project, and of the labor difficulties with which it will have to contend. But a recent despatch from Manáos states that there is "a sort of Klondike rush among rubber gatherers," who are flocking down the Amazon River headed for the Ford rubber concession in the state of Pará. The belief seems to have spread among them that Henry Ford's rubber-growing enterprise is their new El Dorado. The correspondent goes on to say that "hardships have not deterred the migration, the fortune-seekers travelling for weeks in primitive native dugout canoes, braving strange waters and wild animals in search of better working conditions and possible wealth. The region where the Ford concession is located is reported overrun with such labor, and the plantation owners of the Upper Amazon are putting the question up to the Government."

In her export trade, from the beginning of her ex-

istence, we have seen how largely Brazil has lived on successive bonanzas—sugar, cacao, cotton, gold, diamonds, rubber. Each has grown in importance, and has declined, due to three general causes: too great dependence upon slave labor, unwise export taxes, and the development of competitive production in other parts of the world. In regard to gold, a fourth cause might be added—the progressive exhaustion of the source of wealth. There remains the greatest bonanza of all—coffee.

On October 12, 1927, the city of São Paulo celebrated the two hundredth anniversary of the introduction of coffee into Brazil with a remarkable exposition in the imposing Palace of Industry. The first plants were brought from Cayenne in 1727 by Captain-General da Gama and planted in Pará. They had come originally from Abyssinia. Coffee gradually shifted to the south, where it is now grown almost exclusively in four states. During the last hundred years the development of coffee cultivation in the state of São Paulo, which furnishes half of the world's crop, has been responsible for that state's amazing growth in wealth and population. São Paulo pays 60 per cent. of Brazil's taxes, and in 1924 coffee accounted for three fourths of the value of Brazil's exports. When we consider that much coffee is grown also in three other states, we can realize what this one product means to Brazil.

Professor Clarence F. Jones, in his recently published "Commerce of South America," says that the conditions for gigantic cultivation of coffee on the high table-lands of São Paulo, 3,000 feet above the sea, are ideal. The soil has a high iron and potash content; the rainfall is good in summer when the grow-

ing plants need water. The rolling country keeps the ground dry, and wind and the absence of fog and frost avoid the dampness harmful to the trees. In autumn and winter there is constant sun during the harvest and the drying. Planting and tending and harvesting coffee is a white man's job. This fact, combined with the excellent climate, has brought to São Paulo colonists from Europe in sufficient numbers to develop this great source of wealth uninterruptedly.

About sixty years ago immense *fazendas* of coffee began to spread over the plateau. Immigrant laborers were supplemented by colonists, who were given five-year leases during which they cleared and planted the land. They grew their own vegetable and cereal crops. At the expiration of the leases the land had to go back to the owner, and the colonist's remuneration was in a stipulated price per stem for the trees he turned over. With this incentive coffee production was stimulated, and its increase demanded little or no capital from the owner of the land. When the *fazendas* had reached the productivity of over a billion and a half pounds per annum at the end of the nineteenth century, they began to get ahead of the world's coffee-drinkers. But production increased all the same, doubling in the ten-year period from 1896 to 1906.

In the latter years of this decade millions of sacks were left over, and by the end of 1906 there were nearly twelve million sacks more than the world could use. With the *fazendas* facing ruin from decreasing prices, the Brazilian Government bought 8,500,000 sacks in the market and held them in warehouses. The steady increase in the use of coffee and the cutting down of production enabled the Brazilian Government to get out of this transaction without loss. But Brazil

had trouble with the United States, because part of this coffee was stored in New York. Withholding it from the market was a violation of the Wilson act, which prohibited restraint of trade. The American Federal authorities brought suit against the Committee on Coffee Valorization of the state of São Paulo. After a lively discussion between Washington and Rio de Janeiro, during which Brazil suspended the preferential tariff on American goods as a measure of pressure and reprisal, the Brazilian Government promised to sell all the stores of coffee in New York in the open market. The suit was then dropped. But it was claimed that the rise in the cost of coffee in the United States, which consumed half the Brazilian production, meant an increased outlay of $57,000,000 a year to the people of the United States.

In the third year of the World War coffee producers in all countries were affected by diminished consumption. This time the government of São Paulo intervened to purchase a large amount of the Brazilian surplus. The third valorization was undertaken on a much larger scale in 1921 by the Federal Government, coöperating with three states. The earlier mistake of letting the surplus get out of the country, and thus to come under the laws of other nations, was avoided. The Government erected nine warehouses in the interior and began to restrict shipments to Santos. The São Paulo authorities, coöperating with the committee of the planters, have been working frantically ever since to prevent overproduction.

But, unfortunately, other states, especially Paraná, have been developing coffee as a source of wealth, and there has not been the coöperation that would make possible the prohibition of more planting. The states

other than São Paulo, with their new trees, have a larger yield per stem; and they do not see why they should not begin to reap the harvest that has so long been peculiarly a São Paulo bonanza. Consequently, Brazil in 1928 has repeated the record production of 1906; and the world crop is estimated at the largest figure in history—one third larger than the two preceding years. Another crisis seems to be ahead. A recent report of the National City Bank of New York pointed out that the only thing that has saved a one-crop country like São Paulo from disaster is nature's fortunate habit of having several bad years follow an exceptionally good one.

Valorization is bad economics, and has so proved to be in Brazil. It can be a palliative only for a short term. Unless the restricting authority has a monopoly of the entire production, it will be easily seen that the higher prices resulting from valorization are an incentive to increased production in regions outside the control of the regulating government. Witness Paraná's yielding to the temptation of extending coffee production, and the larger crops of recent years in other countries than Brazil. In 1928 the British Government abandoned price-fixing in rubber for this very reason. Limiting production and withholding supplies from the market in British Asia led to an increase in the output of plantations other than British, and stimulated countries suffering from the monopoly to develop their own sources of supply.

A study of the coffee difficulties in São Paulo would be a useful pursuit to all countries or regions of a country that place too much dependence upon one crop, especially our wheat and cotton States of the Middle West and South. In crises of overproduction, agricul-

tural laborers leave the embarrassed regions, and they are not easily enticed back. In Brazil, for instance, the exit of laborers after the last coffee crisis made necessary federal efforts to recruit new workers in Europe. São Paulo, when it couldn't get sufficient German, Polish, and Italian workers, was willing to take the débris of Russian counter-revolutionary armies, and even Asiatics. The coffee-planter, like the cotton-grower and wheat-farmer in the United States, lives from hand to mouth and never amasses a capital necessary for him to carry on the cultivation of the product that is one of the nation's principal sources of wealth. He has to get bank advances, or deal with a middleman broker. When the price of his one crop on which he has depended drops below the cost of production, he is ruined. In Brazil the situation is far worse than with us. It is in the Brazilian character to be happy-go-lucky and to accept to-day's good fortune as assurance of to-morrow's equally good break.

But São Paulo, and in fact all that part of Brazil which contains the bulk of the population, do not need to depend upon coffee. No other country in South America except Argentina has so attractive a future in varied and promising paths to prosperity. The foundation for industries in Brazil is more solid than that of Argentina because of the demands of the home market. Thirty million souls is no mean population to provide for. The United States has discovered that a nation can grow rich and great by keeping its consuming capacity a little ahead of its producing capacity. Our wealth has come by working for our own people, converting raw materials into articles of commerce. Brazil and Argentina have both made rapid strides in this direction in the twentieth century, and

Chile, too, is beginning to manufacture on a large scale for her own needs.

We have seen how Brazil, through her growing textile industries, consumes most of her cotton. For mills and factories water-power must be utilized. The only coal in Brazil lies in the southeastern states. It is of poor quality, with a low heating power, and there is no great demand for it. But with the modern inventions in the use of electric power, this is not necessarily a drawback to industries in which coal is commonly accepted as a *sine qua non.*

Pig iron is imported into Brazil despite the fact that the largest deposits of high-grade iron ore in the world are in Minas Geraes. The same state has the most extensive manganese ores in the world. Iron and manganese are found also in Bahia, and manganese in unlimited extent in southern Matto Grosso. Smelting by electricity, if it can be accomplished satisfactorily without too great cost, will enable Brazil to manufacture her own machinery and tools. That is of the future.

But of the present are the cattle, cereal, lumber, and yerba maté industries.

Because Brazil needs most of her own cattle products, we do not realize what a source of wealth cattle-raising is to the largest of South American countries. It was, of course, one of the earliest local industries, and from colonial days it has flourished in Minas Geraes and in the plateau region of Bahia. This central zone contains a fourth of the cattle of the whole of Brazil, and is exporting refrigerated meats by way of Rio.

As in almost everything else, however, the great future for cattle is in the south, where the indus-

try already has assumed proportions of magnitude.[3] Rio Grande do Sul, bordering on Uruguay, now has more cattle than Uruguay! This state contains over 3,000,000 pigs, fed on corn raised at home. Only the lack of adequate transportation prevents Brazil from becoming a great meat-exporting country. As it is, she furnishes most cattle products, including leather, needed by her own people, and is beginning to export in considerable quantities. The southern states have succeeded in less than a quarter of a century in raising all the rice Brazil needs, and in supplying nearly a third of her wheat. Brazil's dependence upon the outside world is for manufactured articles, mineral oils, and coal.

Until recently, despite her foremost place in timber acreage, Brazil has imported soft woods. Most of her forest woods, hard and inaccessible, have not been touched. They possess little, if any, commercial value, when we consider the expense of exploitation. Before the war Brazil used to import a considerable amount of timber for building. But in fifteen years this figure has been cut to one fourth, owing to the exploitation of the pine and cedar forests of Paraná and Santa Catharina. Not only does the most populous part of Brazil now buy its pine from home producers, but Brazilian pine has entered successfully into competition with North American pine in Argentina and Uruguay.

To these two countries also goes the major portion

[3] The highlands of Matto Grosso are considered excellent cattle country, and some larger ranchers have made their homes there. The grass is good; there is plenty of water; and no end of land. But this region is so far from transportation facilities that its development seems to be of the distant future. There will always be the handicap of transportation cost, in competition with Uruguay and the southern coast states of Brazil.

of Paraná's chief product, yerba maté. This leaf, which South Americans use in place of tea, used to be known to foreigners as "Paraguay tea." But now Brazil supplies nineteen twentieths of the yerba maté crop. In Paraguay it is still gathered wild; in Paraná it is systematically cultivated. Like rubber, another valuable forest commodity has been domesticated.

Some writers in South America have endeavored to prove the higher degree of civilization of Argentines over Brazilians by pointing out that Argentina takes nearly ten times as much from the outside world as Brazil does; and that the per capita import trade of Brazil is only one fourth that of Argentina. Similarly, the figures of the increase in Argentine trade in comparison with that of Brazil are impressive. Let us take, for instance, our own trade with Brazil and Argentina. Here are the figures:

	Brazil	Argentina
1870	$31,000,000	$4,000,000
1890	71,000,000	14,000,000
1913	154,000,000	72,000,000
1920	445,000,000	407,000,000

And this despite the fact that Brazil has three times as many people as Argentina! But we must remember that figures of foreign trade are not necessarily an indication of a country's comparative rank among civilized nations. Until recently the foreign trade of the United States was almost negligible. We produced most of what we consumed, and we were not compelled to enter world markets extensively either for foodstuffs or raw materials. It is the same with Brazil. If she had mineral oils and a larger wheat-growing area, her imports would be considerably less.

But the figures do show a tremendous increase in volume in a few years. We now lead all countries in our trade with Brazil, taking 40 per cent. of what Brazil exports and selling 25 per cent. of what she imports.

The increase in trade has been accompanied by a much greater increase in American holdings. Great Britain still has four times as great an economic stake as the United States in both Argentina and Brazil, but the proportionate increase in our holdings since 1914 would indicate that the day is not far off when we shall have investments as large as Great Britain's in these two leading South American countries. We have nearly $400,000,000 invested in Brazil, one tenth of which was loaned during the last four months of 1927.

Our largest industrial investment is in the meat-packing industry in Brazil as in Argentina. Nearly three quarters of our holdings, however, are in federal, state, and municipal bonds. These issues are coming increasingly upon the New York market. The willingness of American investors to take Brazilian bonds is partly based upon the law of 1912, which makes it obligatory upon states to obtain federal authorization for the issue of new loans. Federal responsibility for state debts had always been denied up to that time. A second assurance to the American investor was given in the stabilization decree, signed by the new president, Washington Luis, on January 10, 1927. Dr. Luis devoted much of the presidential address on May 3 to the currency question. As M. Poincaré had long maintained for France, Dr. Luis declared that stabilization could be effected in Brazil so smoothly that there would be no upset, even temporary, in the financial

life of the country. The *milreis* was replaced as unit by the *cruzeiro*.

American confidence in, and our friendly relations with, the only Portuguese-speaking republic of the New World have never been put to any great strain. Of all Latin-American republics, Brazil has been the one most consistently friendly to us. Brazil has always stood with us diplomatically in Pan American Conferences. Her attitude has been emphasized on numerous occasions, but none more important than in 1917, when Brazil followed us into the war against Germany, in the words of President Braz's message to Congress, "because, with our elder brother the United States at war, it is impossible for Brazil to remain neutral." On another occasion President Braz said that Brazil's entry into the war could be explained by several provocative clauses but none more potent than that Brazil's traditional foreign policy was to stand with the United States.

Brazil's part in the World War was limited to the furnishing of supplies, from which she received great benefit, as we did. At the formation of the League of Nations she became an elective member of the Council. Shortly after that President Pessoa expressed officially to Secretary Colby the regret of his country that the United States, "which took the lead in that great project, has not retained it." Ruy Barbosa, and then ex-President Pessoa, sat on the World Court. However, Brazil did not remain satisfied with the way the League was run. She had maintained from the beginning that her size and importance, and the fact that she was the largest nation of the Western Hemisphere belonging to the League, gave her the right to a permanent seat. To call attention to her own claims she ve-

toed, at a meeting of the Council in March, 1926, to the consternation of the big European powers, the proposition to grant Germany a permanent seat, which had already been agreed upon in the conversations between Great Britain, France, and Italy on the one hand, and Germany on the other. The storm that broke after this act proved pretty conclusively that the League was primarily—in fact, wholly—an organ of the larger European powers. Brazil resigned on June 13, 1926, giving the required two years' notice. Spain, which seemed completely out of internal European politics when she went to Geneva, resigned for the same reason. While Spain is not as populous a country as Brazil, she is the largest Spanish-speaking country in the world and the mother of all Latin-American states except Brazil and Haiti. Should not she, too, have a permanent seat?

When the moment for final withdrawal came, the Council of the League, on March 8, 1928, begged Brazil and Spain to reconsider the decision to withdraw. But there was no assurance of permanent seats. European considerations made Spain feel that she ought to stay in the League. Non-European Brazil felt otherwise. Her negative answer to the Council's overture explained·

The facts which preceded the decision of the Brazilian Government are well known. The Government now responsible for the policy of Brazil, duly considering the subject both from the political and moral standpoint, reviewing all documents in the case with the sole purpose of being loyal to the duties and responsibilities of this country, finds no determining factor for altering under such delicate circumstances a situation which had already been clearly defined, since the contingencies which brought it about are in nowise changed.

Undoubtedly Brazil, Argentina, and Chile would all feel the necessity of active participation at Geneva were the United States a member of the League. But as long as we belong neither to the League nor to the World Court, it is natural that our Latin-American neighbors that have pretensions to be "great powers" should be indifferent to the League. The lesser Latin-American states find participation at Geneva comforting to their ego, and at times—as in the recent case of Panama—have felt that they might use the League to protect themselves from, or at least to embarrass, the United States. The A.B.C. powers are too important, actually as well as in their own estimation, to be classed among the small fry at Geneva.

Moreover, it is difficult to see what advantage League membership, so long as the United States abstains, has for the larger Latin-American states. Their foreign policy is almost exclusively devoted to questions of the Western Hemisphere. There is no great question in international politics affecting the South American republics in which any European power has particular interest. Brazil settled her boundary with France by a decision of the Swiss Federal Council in December, 1900. In 1909 she signed boundary treaties with Peru and Uruguay. Every other boundary question and all her outstanding financial question with other South American countries and with the outside world are either definitely settled or in a fair way to be arranged.[4]

In 1904 a navy reorganization bill provided for the

[4] The Brazilian foreign minister and the Venezuelan minister to Brazil signed at Rio de Janeiro, on July 24, 1928, a protocol adjusting the boundary dispute between the two countries. The negotiations for this settlement were begun nearly half a century ago.

purchase of twenty-eight ships, including three battle-ships and three armored cruisers. The project for a new navy was "on paper" for several years. In 1908 it was reported that Brazil had placed orders in England for thirty warships, of which four were dreadnoughts. This started a lively controversy in South America on equilibrium of armaments, in which Argentina, Chile, and Peru were involved. Brazil declared that there was no intention of using new warships against Argentina, and showed her good faith by concluding a treaty of arbitration with Argentina. As a matter of fact, only four warships had been ordered—the battle-ships *Minas Geraes* and *São Paulo* and the protected cruisers *Bahia* and *Rio Grande do Sul*. No ships of the line have been added during the last twenty years. The only increases in naval strength since 1908 have been in destroyers and submarines. Brazil has not had much luck with her two battle-ships. The crews of both revolted in November, 1910, and killed some of their officers. They were joined in the mutiny by marines on Cobras Island. It took lively fighting to put down the rebellion. We have already recounted the spectacular part played by one of these battle-ships in the revolution of 1924. Since the World War, Brazil has had an American naval mission, like Peru. The Brazilian army was ready to mobilize several hundred thousand men in 1918. But the war ended before mobilization was ordered. Although military service, under the law of 1923, is obligatory from the age of twenty-one to forty-four, most Brazilians are having no military training. The regular army consists of 40,000 men. With the gendarmerie of 26,000, the number of men under arms seems to be about all that Brazil can support, and probably all that she needs to

preserve order in the populated parts of the country.

In remote regions the Federal Government has never attempted to assert its authority, and the state governments rely sometimes on private initiative. The Cunani territory, comprising the land that was definitely decided to be Brazilian on the frontier of French Guiana by the Berne award, has remained for a quarter of a century a practically independent republic. While we are writing these lines we see in a despatch from Rio, of August 16, 1928, that 10,000 vigilantes, under José Morsbeck, the Cecil Rhodes of South America, have driven diamond prospectors, who had become bandits, from Matto Grosso into Goyaz after two months of guerrilla warfare. The situation had got out of the control of the governor of Matto Grosso. Ever since 1918 there has been a diamond boom in Matto Grosso and Goyaz which brought into this region adventurers from every part of the globe. Unable to get into the jungle themselves, the prospectors employed Indians, and paid them in counterfeit coin. This led to the uprising and to a long period of banditry. All this disturbance is as remote from Rio de Janeiro, capital of Brazil, as it is from Washington, in so far as control of the situation goes. Where the white man has gone in the upper reaches of the Amazon, whether for rubber or for diamonds, our own American "Wild West" is being lived over again.

The Amazon River and its larger tributaries have been open to foreign vessels since 1866. Pressure from the United States was one of the principal reasons why Emperor Dom Pedro signed the decree which made the Amazon "the common highway of nations." But surprisingly little river traffic has developed, ex-

cept at the time of the rubber boom, which is now over. Even internal steamer traffic is slight. There is little need of it, owing to the absence of population and productivities in most of the Amazon basin. Brazilian railways feed only one eighth of the country's surface, and in this eighth they are not sufficient to meet the growing needs of the country. São Paulo and Minas Geraes, with a third of the population, have half the railways. Owing to the development of Rio Grande do Sul and Paraná, however, this will not long be the case. Since the World War the Federal Government has been subsidizing the building of roads by states. But only a few of the states are doing their part. During his air tour of South America in 1927 Pinedo flew his hydroplane by way of the interior river systems from La Plata to the Amazon. On the journey to Manáos he was for hours over a region within Brazil that is totally unexplored, and from the time he left one river until he reached the other he did not find a single road of any kind!

In an economic survey of Brazil, therefore, it is evident that only a small portion of the country demands attention. Pará, Pernambuco, and Bahia are states that have a large population. But their production furnishes only a tithe of Brazil's revenues. These states are not going ahead rapidly, and their life is almost wholly along the coast, as in colonial days. The southeastern corner registers the increase in population and business, and it is here that Brazil's power and international prestige are being developed. Into this region alone have the immigrants from Europe come in large number.

Brazil was the first South American country to afford opportunities for European colonization. When

the Spanish-American republics were still in the formative stage, Brazil enjoyed internal peace and prosperity. Not only was it the nearest South American country to Europe but it was the most attractive. When Dom Pedro II issued the decree forbidding further slave traffic with Africa in 1854, it was seen that the development of the country would be in the southeast, where Europeans could colonize. The empire encouraged immigration. But not until the twentieth century did it become a national policy to bring colonists and laborers in large numbers from the outside world. In 1908 the first federal colonies were founded in Espirito Santo, Rio de Janeiro, São Paulo, Paraná, and Santa Catharina. Additional colonies were placed in the same states from 1909 to 1913. In 1911 a law was passed to provide for "the establishment of an increasing number of immigrants in states or sections where there are no reserved colonial nuclei of foreign agriculturists." This law gave the Federal Government authority to "adopt exceptional measures, when indispensable, to insure the development" of particular localities so that there would be no competition from native colored labor. The federal colonies and the reserved localities now contain several hundred thousand Germans, Russians, Italians, Portuguese, Spanish, and Poles. During the twelve years from 1908 to 1919 there were also more than 40,000 Turks and Arabs, nearly 30,000 Japanese, and a considerable number of Austrians and French. The Latin group, however, comprising Spanish, Portuguese, and Italians, accounted for four fifths of the million who settled in Brazil during that decade. Since the World War the immigrants have averaged more than 70,000 a year, not counting the seasonal laborers.

Emigration from Portugal and Spain to Brazil has never caused the raising of any questions with the mother country. These immigrants went to a country where they were at home in language and fitted into the general standard of civilization. But in connection with other colonists, Brazil has had to contend with large groups of foreigners, not easily assimilable, who have retained ties with their country of origin. The German colonists, largely in Santa Catharina, though not nearly so numerous as other racial groups, succeeded in transplanting their homeland in such a way that they threatened to form a state within a state. At the beginning of the World War, Brazil was worried about the German pretension that an emigrant could retain his old allegiance when he cast his lot in with a new country. The notorious double nationality provision of the Delbrück law of 1914 was more of a menace to Brazil than to any other immigrant-receiving nation.[5]

Since the World War this question arose with Italy. Of the 2,000,000 immigrants to the state of São Paulo during the first hundred years of Brazilian independence, more than a third were Italians. Fifty thousand of these left Santos and Rio de Janeiro in 1915 to answer the call to arms. A similar test had not been put upon the Germans the previous year, because the homeward route was blocked to them. When the United States adopted her stringent restriction

[5] The Germans commenced to organize emigration to Brazil as early as 1849, when the Hamburg *Kolonisationverein* bought vast territories in the state of Santa Catharina from the Prince de Joinville, brother-in-law of Dom Pedro. For an account of the German colonies in Brazil before the World War, see our "New Map of Europe," pages 47-48; and for the Delbrück law and its implications, *ibid,* pages 33-36.

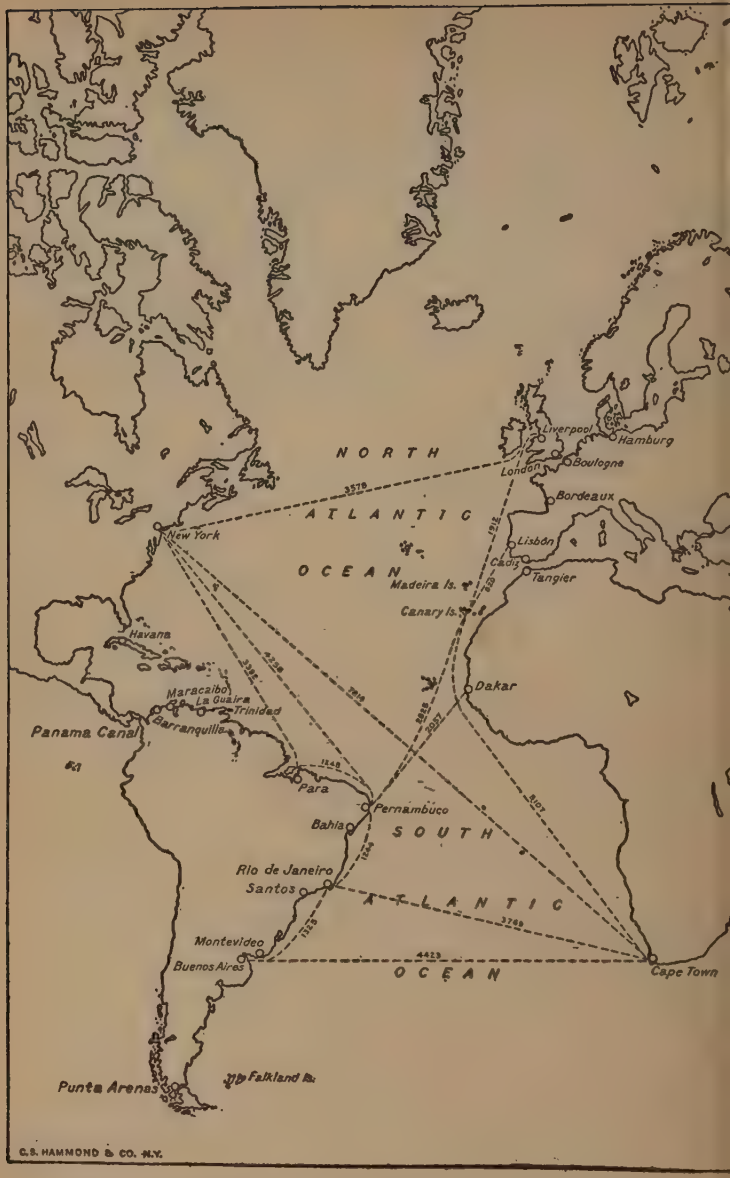
laws, which discriminated so drastically against Italy, Rome began negotiations with Rio de Janeiro to regulate the emigration of Italians to Brazil. At that moment the Fascist régime came into power. Mussolini immediately added a clause to the original draft, providing for the protection of emigrants by Italian consuls. Brazil rejected this clause. Mussolini appeared to be willing to modify it, provided he could get customs concessions. He also asked Brazil to improve sanitary conditions.

The attitude of Italy provoked keen resentment. Brazilian public opinion was unanimous in its willingness to forego the advantage of immigration from Italy. The Brazilian attitude was expressed in an official statement to the effect that countries of emigration would not be allowed to "attempt unduly to extend their protection to those of their nationals who immigrated into Brazil." Diplomatic negotiations did not end in a compromise, as might have been possible, because in 1926 Mussolini changed radically Italian policy in regard to emigration. Hereafter, he asserted, Italy would keep within her own borders all her sons, in order that they might contribute to increase the power of the Fascist state.

Unquestionably Brazil needs fresh blood from Europe. But, like Argentina, and unlike Uruguay, she has no intention of compromising on the subject of retaining complete control over all prospective colonists who enter her territory. Italians have done much to create Brazil's present wealth, and on the whole they make even better citizens there than they do in the United States. In the past they have proved themselves assimilable. Many of the most loyal Brazilians have Italian blood in their veins. They help to increase the

to Buenos Aires—have been maintained without interruption since the spring of 1928. At the time of this writing Rome and Madrid are both announcing direct service by air to Natal, and say that they will deliver letters in Rio de Janeiro in less than three days. So the world is moving.

Because of the indolent habits of the natives of Portuguese stock, Brazil has long been known as *el pasado mañana*—the country of to-morrow. In a different sense from that intended, is not this true?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CHAPTER XVI

THE MONROE DOCTRINE

THE principal thought of the statesmen who gathered at Vienna to establish peace after the Napoleonic wars was restoration of the political—and as far as possible the territorial—*status quo ante bellum* in Europe and, by extension, throughout the world. The victorious powers did not bring the culprit, France, before the bar of judgment and pronounce sentence, as was done in the case of Germany a hundred years later. Talleyrand shrewdly saw that the victors were thinking in terms of restoration, and that their idea of assuring a durable world peace was to guarantee the maintenance of the Vienna settlement. From the beginning, therefore, he associated France with the thesis of the Holy Alliance, that the restoration would have as its corollary immutability of the institutions restored and the frontiers fixed.

So far as Europe was concerned, the Metternich formula laid down at Vienna was acceptable to all the powers. France had not been the victim of punitive annexations of territory. The stability of her restored monarchy depended upon the observance of the formula. Great Britain, struggling to pay the debts incurred during two decades of war, was happy to have Continental Europe agreed upon the maintenance of the equilibrium she had intervened to reëstablish.

But when the question was raised in international conferences of helping Spain win back her American colonies, Great Britain became alarmed. She had the extra-European acquisitions that were her fruits of the victory to consolidate. Unable to undertake to establish her own hegemony over Latin America, she was unwilling to see France step in as protector of Spain's rebelling colonies, either to mediate between them and Madrid, or to help arrange their independent future. There was rivalry between French and British mercantile interests in Latin America; and Castlereagh feared also that American espousal, in opposition to combined Europe, of the cause of the Latin-American rebels would give the United States too great an advantage over Great Britain in developing South American trade. The situation was further complicated by the strong current of liberal public opinion both in France and Great Britain in favor of the Spanish-American colonists, struggling for self-government. It was the same manifestation of generous sympathy among their people that the statesmen of the two powers had to take into account when dealing with the Greek uprising against Turkey.

At the beginning of 1822 Castlereagh decided to ask France to join Great Britain in establishing independent monarchies in the New World. Brazil was to furnish the example. When France refused, Castlereagh decided that there was nothing else for Great Britain to do than to oppose the proposition of armed intervention that would undoubtedly be made at the forthcoming Congress of Verona.

Castlereagh committed suicide; and it was his successor, Canning, who had the dilemma to face. His representative at Verona, the Duke of Wellington,

was successful in blocking international action in Latin America, but he could not prevent a mandate being given to France to march into Spain to put down a republican revolution there. When the French entered Spain in the summer of 1823, Canning became convinced that her ulterior plan was to extend her influence over Latin America. This led to his abandonment of Castlereagh's policy, that the independence of Spanish America could be recognized only if monarchical institutions were set up there. He was ready, then, to make overtures for joint recognition of the republics by Great Britain and the United States. His proposal to the American minister in London was followed by the sending of commissioners to the United States. Their statement of British policy, combined with Canning's declarations to the French Government, gave President Monroe and his cabinet a definite assurance of what British foreign policy would be in regard to European intervention in Spanish America. Knowing that British sea-power would not be at the service of an intervention in the New World, there was no necessity of associating Great Britain with the declaration that is known in history as the Monroe Doctrine.

The Monroe Doctrine, like our doctrine of isolation, is the result of experience. It was adopted in self-defense. During the Napoleonic wars the people of the United States discovered that the transfer of titles from one European power to another menaced their security. It was not tolerable that we should have a change of neighbors because of wars fought in Europe. In the first thirty years of our national life Great Britain had occupied Florida, and had sent expeditions to Buenos Aires and to New Orleans. The title to the

Mississippi Valley had changed suddenly from Spain to France. Had we not made the Louisiana purchase when we did, Great Britain, at war with France, might have invaded Louisiana before she actually went to war with us. Had there been no war with the United States in 1812, and had the title to the Mississippi Valley still remained with France, Great Britain might have demanded its cession to her at Vienna, and the United States would have been penned in on the Atlantic seaboard.

George Washington thought of these contingencies during his administrations. John Adams feared them before they arose. Jefferson and Madison knew how essential was the possession of Florida to us, once we had bought Louisiana. It was the fact that Spain had not yet consented to transfer Florida that tied our hands in the matter of recognizing and protecting the Spanish-American revolutionists. The doctrine would not have borne the name of Monroe: but it would have been the same. Henry Clay's passionate speeches on behalf of Latin-Americans, struggling, as we had done a generation before, to win their freedom, expressed the sentiments of all Americans, including the President of the United States and the members of his cabinet. That we could not move earlier was due, first, to the negotiations for the transfer of titles to Florida from Spain to ourselves; second, to prudence in the face of what seemed for a time to be a common European policy that we could not have defied; and third, to the necessity of waiting, when it was hard to do so, for Canning to realize that Great Britain could not allow France to be the decisive factor in the future of South America.

On December 2, 1823, in his message to Congress,

President Monroe spoke at length in two places of the relations between the European powers and the Western Hemisphere. It was the answer of the United States to the discussions among European statesmen at international conferences, culminating in the Conference of Verona a year before. We shall not quote all that President Monroe said. Two short passages give the gist of the Doctrine:

> . . . the occasion has been judged proper for asserting, as a principle in which the rights and interests of the United States are involved, that the American continents, by the free and independent condition which they have assumed and maintained, are henceforth not to be considered as subjects for future colonization of any European powers. . . .
>
> We owe it, therefore, to candor, and to the amicable relations existing between the United States and those powers, to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety.

If the Monroe Doctrine is "an obsolete shibboleth," as Senator Bingham of Connecticut remarked when he was a university professor, is it not because the danger to "our peace and safety" has passed? We were a small, poor, weak nation in 1823. At that time we could not have made good the boast that *nemo me impune lacessit*. It was the Monroe Doctrine that turned the application of the doctrine of European eminent domain away from South America to Asia and Africa.

The Monroe Doctrine has been explained and commented upon by historians and students in much the same way as some of Shakespeare's sayings. What was

simple and natural has been made to appear complicated and artificial. What was not in the minds of the men who drafted the declaration of policy has been read into their phrases. Writers of latter days have sometimes felt that the Monroe Doctrine ought to be abandoned. They argue from the double ground that the Doctrine is no longer needed to protect America from Europe, and that it needlessly offends the Latin-American republics, who resent our self-appointed rôle of defender of their interests. Some statesmen (and these include the framers of the Versailles covenant) confuse the Monroe Doctrine with European "spheres of influence" arrangements. Others regard it as a contract or treaty. In view of the curiously reckless treatment of the Monroe Doctrine by those who misunderstand it, a simple statement of what the Doctrine really is seems necessary.

The best and clearest statement of what the Monroe Doctrine means and why it was necessary is contained in a few sentences in a letter written by Thomas Jefferson to President Monroe two months before the message to Congress was delivered. The ex-President, who had been Secretary of State in the first critical decade of our nation's life, said:

> The question presented by the letters you have sent me is the most momentous which has ever been offered to my contemplation since that of independence. That made us a nation. This sets our compass and points the course which we are to steer through the ocean of time opening on us. And never could we embark upon it under circumstances more auspicious. Our first and fundamental maxim should be, never to entangle ourselves in the broils of Europe; our second, never to suffer Europe to intermeddle with cisatlantic affairs.

President Monroe followed Jefferson's advice. He realized the vital importance of the step that it was his privilege to take as much as his predecessor did. Jefferson would have framed the document better, perhaps. For all that, the passages in the message to Congress of December 2, 1823, are sufficiently explicit. The Monroe Doctrine is simply a blunt and straightforward announcement that the United States could not afford to allow European powers to establish protectorates or colonies in the continent and a half on which Spain had lost her grip. Europe was to keep hands off and to use none of the pretexts that were found convenient in Africa and Asia throughout the nineteenth century to cover and give excuse for the extension of European political control over other peoples. The motive behind the Doctrine was that of making the United States secure from foreign aggression and of enabling us to maintain our isolation policy. Because of President Monroe's action the Latin-American republics passed through the experimental stages in self-government and independence and in adjustment of frontiers with one another without interference from Europe.

For a reason that has never been explained, President Wilson and the other delegates at the Paris Peace Conference allowed the Monroe Doctrine to be described in the covenant of the League of Nations as a "regional understanding." This was an absurdly wrong and inaccurate description. The Monroe Doctrine is not an understanding but a unilateral declaration of purpose on the part of one nation. Neither European powers nor Latin-American states were consulted about it. For more than a hundred years it has been an accepted fact in international relations only be-

cause the United States was ready at any time to make its infringement a *casus belli.*

Whether we could have upheld the Doctrine, had it been challenged before the United States was unified by the Civil War, is not to the point. When we invoked it, none did care to challenge it. On several occasions it prevented the transfer of Cuba to another sovereignty; it saved Yucatan from France and Great Britain in 1848. As far as Central America was concerned, it was embodied in the first article of the Clayton-Bulwer treaty in 1850. It caused Napoleon III to abandon his imperial pretensions in Ecuador and Mexico; and it frustrated the attempt of Great Britain to enlarge her foothold on the Caribbean coast, of France to extend her influence in the West Indies, and of Italy to purchase St. Bartholomew from Sweden. Elsewhere we have spoken of the two Venezuelan crises with Great Britain and Germany. But the history of the United States demonstrates that we have excepted ourselves from its application. We are not a European power!

When the American Academy of Political and Social Science celebrated the centenary of the Monroe Doctrine in 1923, Mr. Charles E. Hughes, at that time Secretary of State, made a notable address, in which he pointed out that it was impossible to define in advance every possible application of the Monroe Doctrine. But he asserted that it implied neither overlordship nor the right of protectorate. But the privileges and obligations arising from the Doctrine had to be mutual. While we were pledged to the equality of American republics, to the respect of their territorial integrity, and to "all forms of helpful coöperation," the Latin-American states, on their side, must abstain from

making laws not conforming with international obligations and must strive for the stability of government and the reign of law and order within their borders. He felt that the Latin-American republics should recognize also the necessity of "our special policies" in regard to the Panama Canal, peace in the Caribbean, and Cuba. He frankly admitted that "when we have a clear sense of our own interests we are just as inflexible as others."

In an earlier address the same year, before the American Bar Association, Mr. Hughes had said that the decision of the question as to what action the United States should take in any exigency arising in this hemisphere is not controlled by the content of the Monroe Doctrine, but may always be determined on grounds of international right and national security "as freely as if the Monroe Doctrine did not exist." He believed that the Monroe Doctrine in no way limited or exhausted American right or policy, and that the United States had rights and obligations which that Doctrine did not define.

It is outside the sphere of this volume to discuss the relations of the United States with Mexico, the West Indies, and Central America. In our chapter on Panama we have told the story of how the Canal Zone was acquired. Colombia is the only South American republic that has come into direct contact with the policy of the United States as a world power to use force in the extension of our national domain. The intervention of the American army and navy in Mexico, Nicaragua, Haiti, and Santo Domingo; our annexation of Porto Rico; and our special position in relation to Cuba as defined by the Platt amendment during the first quarter of the twentieth century

interest us here only as they affect the attitude of South American countries toward the United States in general and specifically toward our Monroe Doctrine.

Ever since the Spanish-American War the South American republics have watched with growing concern what they call the imperialism of their powerful North American neighbor. Except in Brazil and Peru (and sometimes even in these two countries), South American sympathy has been outspoken with the small states in whose internal affairs we seem constantly to have been interfering. Our aims, manners, and methods have been severely taken to task. Our good faith has been challenged. Until after the World War the criticism was mostly academic. South Americans condemned our foreign policy in the same way Europeans would do, or that they or we would condemn what we did not like in the foreign policy of European powers.

Since 1914, however, the criticism has become sharper and more intense. It is no longer academic. Its new significance is due to the offended dignity and awakened apprehension of South Americans. The actions of "the Colossus of the North" in relations with other nations of the Western Hemisphere are subjected to close and constant scrutiny. They are resented. And they are feared.

Argentina is becoming a world power herself, and Chile is no longer, in her own mind, "a small nation." How Brazil regards her position among the nations of the world is revealed in the disagreement with the League of Nations. As early as 1913 these three countries offered their mediation in a difference between the United States and Mexico. Instead of accepting it,

President Wilson ordered the Vera Cruz expedition. Public opinion in Argentina, Brazil, and Chile agreed with former President Roosevelt when he said at Rio de Janeiro, Buenos Aires, and Santiago, in 1913, that these states and the United States "should participate on absolute equality in the responsibility and development of the Monroe Doctrine, as far as the interests of the Western Hemisphere as a whole are concerned." Their people have waited in vain for this statesmanlike utterance, worthy of Roosevelt at his best, to be followed by overtures on our part to change the Monroe Doctrine from a unilateral declaration of the purpose of the United States to a common policy, adopted and defended by at least the more important American powers. Instead of this, they have seen us go ahead in our own sweet way, neither asking their advice nor soliciting their coöperation in our Mexican, Central American, and West Indian difficulties. They have not been asked to share in formulating a common policy in regard to a canal that geographically belongs equally, and that economically and strategically is of equal importance, to the countries of both continents.

In August, 1928, when asked by the League Council to resume membership (at the same time the request to "reconsider" was sent to Spain and Brazil), Costa Rica thought an opportunity was afforded to put the League on record as to the meaning of the Monroe Doctrine. Her answer was a request that the League Council interpret the Monroe Doctrine. What, in the opinion of the League of Nations, did it mean? It was mentioned in the covenant of the League. Did the League officially accept the Monroe Doctrine as international law? If so, what were they accepting? But the Council prudently refused to commit itself. The demand of

Costa Rica, supported by several other Latin-American states, was not granted.

We have seen how tremendously the stake of the United States in industrial investments and government loans has grown in all South American countries since 1920. The greatest enterprises in Chile, Bolivia, and Peru are American-controlled and American-directed. American oil companies are the principal magnates of Colombia and Venezuela; and the banana industry of the north coast of South America is in the hands of an American concern. What is meant by President Coolidge's public utterance in 1928 about American investments abroad being a part of our national domain, under the protection of the American Government?

As a candidate for the Presidency of the United States, Governor Alfred E. Smith, in his acceptance address, took President Coolidge to task for this amazing statement, and repudiated it in the name of the Democratic party. But the South Americans remember that there has not been any distinction between Democratic and Republican administrations in their dealings with Latin-American countries. Wilson intervened in Central America and the West Indies as much as Roosevelt and Taft had done, despite many fair words. He explained and justified intervention on the ground that it was an obligation demanded of us by the Monroe Doctrine. And had not Wilson sent armed expeditions twice into Mexico? South Americans believe that American public opinion is not divided along party lines in its support of the recently developed implications of the Monroe Doctrine. They assume that the United States is developing a foreign policy which will be followed irrespective of the

preëlection platform of the party that wins.[1] They read the future by the past.

Because the assumption that paramount interest in the Western Hemisphere on the part of the United States offends their pride and because a possible extension to South America of American armed intervention is feared. South American statesmen and publicists are giving close attention to the development of the Monroe Doctrine in the twentieth century. What are the interpretations of American Presidents and Secretaries of State? What action have we taken, and what action would we consider ourselves justified in taking, as a result of those interpretations?

In the early stage of the Venezuelan claims case in 1902, out of patience with the antics of Venezuela's dictator, Secretary Hay declared that the United States would not object to European powers "taking steps to obtain redress for injuries suffered by their subjects, provided that no acquisition of territory was contemplated." But later President Roosevelt decided that the Monroe Doctrine would not tolerate even a temporary occupation. What, then, was the United States to do in order to secure justice for Europeans and to guarantee the security of life and property to Europeans in Latin-American countries that were not living up to their international obligations? Roose-

[1] In 1923 we found in "El Diario" of Quito, Ecuador, the following editorial comment: "We remember quite distinctly Messrs. Harding and Coolidge preaching the abandonment of the policy followed by President Wilson toward some of the weaker nations of Latin America. Immediate withdrawal of Yankee forces from Haiti, Santo Domingo, Nicaragua and other temporarily restrained nations was to follow the Republican victory; but the three years that have elapsed have brought no change and to the bitterness of violated rights has been added a profound distrust of the promises made by statesmen of such high standing."

velt answered this logical though embarrassing question in his message of December 6, 1904, when he said:

> Chronic wrongdoing, or an impotence which results in a general loosening of the ties of civilized society, may in America, as elsewhere, ultimately require intervention by some civilized nation, and in the Western Hemisphere may force the United States, however reluctantly, in flagrant cases of such wrongdoing or impotence to the exercise of an international police power.

This statement was hailed in the South American press as a new development of the "big stick" policy, which the Roosevelt administration had used during the two previous years to Colombia. Of course it was not that. President Roosevelt was simply taking a logical and reasonable view of the responsibilities of the United States toward the European powers. If we were not going to allow them to use the argument of force when it was necessary to do so, in protecting their citizens and property rights in the Western Hemisphere, this duty would fall upon the nation whose Monroe Doctrine kept them from doing so. Moreover, American citizens and commercial and financial interests were beginning to get a stake in Central and South America and in the West Indies. Roosevelt foresaw the pressure that would inevitably be brought to bear upon the State Department in future years. If we did not act as police for Europeans in the Western Hemisphere, how could we do it for ourselves alone?

There were the added considerations of our own security and of the protection of the Panama Canal. When Japanese interests secured concessions in Mag-

dalena Bay and the Lower California peninsula from Mexico, the Senate passed the following resolution:

When any harbor or other place in the American continents is so situated that the occupation thereof for naval or military purposes might threaten the communications or the safety of the United States, the Government of the United States could not see without grave concern the possession of such harbor or other place by any corporation or association which has such a relation to another government, not American, as to give that government practical power of control for naval or military purposes.

This resolution was provoked by the Japanese menace in Mexico. But the policy thus announced extended, of course, to all powers other than those of the Western Hemisphere. It was so worded as to be applicable to both "American continents" and to cover "the communications" as well as "the safety" of the United States. Only recently the policy based upon this Senate resolution has raised more than one question with Colombia. And Roosevelt's declaration of December 6, 1904, inaugurated the policy that has prompted successive administrations to intervene on numerous occasions to "exercise an international police power" in West Indian and Central American states. Our intervention in Cuba, after independence had been granted, was based upon the provisions of the Platt amendment.

The statesmen of the larger South American republics and their authorities on international law, whatever hot-headed publicists may have written, have not contested the right of intervention in questions of safety or communications, as set forth in the above-

quoted Lodge resolution of 1912. This implication of the Monroe Doctrine is in the long run as much to their interest as to our own.

But intervention for the purpose of collecting a public debt has always appeared to them to be quite another matter. Argentina, in particular, has for twenty-five years put into its contracts with foreigners a provision that disputes between a foreign individual and the Government must be settled in the last instance by Argentine courts and that the claimant may not invoke the protection of his own Government. This clause, invented by Carlos Calvo, has been adopted as a constitutional provision by smaller and less responsible Latin-American states. But the United States has never recognized the validity of any such provision, and reserves to itself the right to intervene whenever there is a default or the State Department believes an American company or individual has not been rightly treated. Moreover, in some instances intervention of armed forces in violation of the sovereignty of another state had been undertaken by us when diplomatic action failed.

The theory of Calvo was officially embodied in a note sent by Señor Drago, minister of foreign affairs of Argentina, to the United States in 1903, asking us to join Argentina in a declaration that a public debt cannot give rise to armed intervention in South America by a European creditor. Unfortunately, Drago had chosen an inopportune case as the occasion for making this diplomatic move. He was attempting to defend Venezuela against European creditors, and to get us to forbid the pressure of European powers under the Monroe Doctrine. It was at this time that Secretary Hay made the statement quoted above. As we have

seen, President Roosevelt felt that it was necessary to modify the position taken by Hay. But he did so by putting the United States in the place of European powers, and acting in their behalf as pressure-bearer and debt-collector. Argentina and other Latin-American states then modified the Drago doctrine—or rather extended it—to exclude all powers, not European only, from intervention or occupation to collect a debt or to protect private property.[2]

When Secretary Root visited Buenos Aires in 1906 he declared himself to be in sympathy with the Drago doctrine, and said that it was in complete accord with the Monroe Doctrine. He was specific in his address:

> We deem the use of force for the collection of ordinary contract debts to be an invitation to abuses in their necessary results far worse, far more baneful to humanity, than that the debts contracted by any nation should go unpaid. We consider that the use of the army and navy of a Great Power to compel a weaker Power to answer to a contract with a private individual is both an invitation to speculation upon the necessities of weak and struggling countries and an infringement upon the sovereignty of those countries, and we are now, as we have always been, opposed to it.

Secretary Root was correct in his assertion of the traditional policy of his predecessors. In the very year the Monroe Doctrine was promulgated, John Quincy

[2] At the Pan American Conference of jurists, held in Rio de Janeiro in 1927, there was unanimity in the decision to incorporate the Drago doctrine into the new code as an accepted principle of international law. Dr. James Brown Scott, representing the United States, was, as Secretary Root had been at Buenos Aires in 1906, in agreement with his colleagues. But formal instructions, cabled by the State Department to the American Ambassador in Rio, prevented the United States from concurring.

Adams, Secretary of State, wrote that an American making a contract in a foreign country had "no claim whatsoever to call upon the government of his nativity to espouse his claim, this government having no right to compel that with which he voluntarily contracted to the performance of that contract." Secretary of State Marcy, in 1856, declared that it was presumed "that before entering into foreign contracts, the disposition and ability of the foreign Power to perform its obligations was examined, and the risk of failure taken into consideration." Midway between the half-century that separated Marcy from Root, Secretary of State Bayard declared that if any state denied the validity of a contractual claim, "the matter drops, since it is not consistent with the dignity of the United States to press, after such a refusal or denial, a contractual claim for the repudiation of which there is by the law of nations no redress."

But while Secretary Root was in South America his own department recommended intervention in Cuba to the President. When Mr. Root returned, he was greatly agitated, fearing that the good he felt that he had accomplished on his South American trip was undone. Voicing his disapproval of the step, he walked up and down his office, wringing his hands, and exclaiming, "They have killed my baby! They have killed my baby!" But circumstances were stronger than the Secretary of State. Both he and his successor, Senator Knox, acted in a spirit contrary to the splendid words uttered at Buenos Aires. In fact, the commitments of and policies inaugurated by the State Department under President Taft drew from Taft's successor a scathing denunciation of "dollar diplomacy." Wilson refused to go ahead with what he called "dollar diplo-

nacy" in China. But in Latin-American affairs he evidently felt, as others before him, that the Monroe Doctrine meant manifest destiny and more dollars.

The Monroe Doctrine undoubtedly led the United States on, since we became a world power, from one step to another. We do not understand what Secretary Root meant when he said in 1914 that "with the apparent exception of an extension by President Polk, there has been no change or enlargement in this principle since it was promulgated." Nor are we as sure as Secretary Hughes was in his centenary address of 1923 that as it now stands "the Monroe Doctrine is the embodiment of our national instinct against aggression and intervention." In view of all the history that has been made around the Monroe Doctrine since 1895, of how it has been used, misused, and abused, of how differently it has been interpreted at Washington and in other capitals, there is small wonder that a questionnaire sent by the editor of "The World Tomorrow" to "three hundred and one leaders of public opinion" in the United States brought forth an astonishing number of contradictory replies from men of equal competence and experience in their judgment of public questions.[3]

The Monroe Doctrine as originally promulgated was clearly understood and successfully followed for eighty years. It was so thoroughly embedded in the consciousness of the American people at the end of the

[3] At the 1928 annual meeting of the American Academy of Political and Social Science I had the honor of presiding at the session devoted to problems of international law. Mr. Kirby Page spoke on the Monroe Doctrine in the light of his questionnaire. Just as we go to press we receive his analysis of replies in printed form under the title "The Monroe Doctrine and World Peace."

nineteenth century, after more than seventy years, that they were willing to fight their best friend in its defense. But it was less than three years after the Venezuelan crisis in the administration of Grover Cleveland that the Spanish-American War led the United States into world politics. We became the overlord of Spanish-speaking countries. Our War Department took on new duties. Our army and our marines, greatly increased in number, got the habit of being in Latin America and the Philippines. We intervened in China, in conjunction with the other powers. We built the Panama Canal and have been thinking of its defense ever since. More important even than all these departures from tradition, the creation of surplus capital for investment abroad, for the first time in our history, made us think very differently about the duty of the Government toward foreign investments from what John Quincy Adams, Marcy, Bayard, and Root had thought. We must remember that when Secretary Root spoke at Buenos Aires in 1906 there was comparatively little American capital invested in Latin America. And four years earlier, when we were wrestling with the second Venezuelan crisis, it was European powers and not ourselves that had the large stake at Carácas.

While we have been increasing our investments in and trade with Latin America, the European nations have also been going ahead in this part of the world. And the Latin-American states have prospered not only because of foreign capital and foreign developments but also by their own efforts, by increased population, and by the discovery of new natural resources. There is no longer the situation that existed in the nineteenth century, when the Monroe Doctrine had one purpose alone and no implications. The change may be

summed up in a single sentence. From being the protector of Latin America against the ambition of European powers to extend their overseas dominions we have become "the exerciser of an international police power" in the Western Hemisphere, much more in our own interest than in the interest of other nations.

If South America regards us as selfish and aggressive, indifferent to the feelings of other American republics, and willing always to back our policies by force, it is largely our own fault. We are not without blame when selfishness and aggression are charged. But, above all, the odium attached to the Monroe Doctrine in the minds of most Spanish-speaking Americans is due to our national lack of tact in dealing with Latins. We are not frank. We do not understand the philosophy of form.

We want to remain the big fellow. The big fellow is always feared. We want to pose as a benefactor. A benefactor is always hated.

CHAPTER XVII

PAN AMERICANISM

THE *raison d'être* and goal of the Pan American movement have never been better expressed than by Woodrow Wilson. In his message to Congress on December 7, 1915, he said:

> States of America are not hostile rivals, but coöperating friends, a unit in world affairs, spiritual partners, standing together because thinking together, quick with common sympathies and common ideals. Separated, they are subject to all the cross currents of the confused politics of a world of hostile rivalry; united in spirit and purpose, they cannot be disappointed of their peaceful destiny. This is Pan Americanism. It has none of the spirit of empire in it. It is the effectual embodiment of the spirit of law and independence and liberty and mutual service.

Expressed in these terse and beautiful words, imbued with idealism, Pan Americanism appeals strongly to the sensibilities and the common sense of all the inhabitants of the Western Hemisphere. The definition was made when the peoples of Europe were at one another's throats, and when very few in the New World believed that we were going to be drawn into the Old World's bloody conflict. We had our blessed isolation, our absence of a heritage of racial hatred and political and economic rivalries, and the Monroe Doctrine. But

a year and a half had not elapsed before the same American President was inviting the other American countries to follow the United States into what had become a world war. American intervention in Europe brought disillusionment. The policy of neutrality maintained by Argentina and Chile showed a lack of Pan American solidarity. The republics of the two continents were not "a unit in world affairs, spiritual partners, standing together because thinking together, quick with common sympathies and common ideals." This sad fact was demonstrated again after the war when most of the Latin-American countries entered the League of Nations and the United States did not. A united America, which Bolivar first dreamed of at Lima when he was leading the independence movement in South America, was still a vision.

Realizing before most leaders of public opinion did the complete domination of the League of Nations by European powers, and its hopelessness as an organization for bringing the peoples of the two Americas more closely together, President Brum of Uruguay told the students of the University of Montevideo on April 21, 1920, that there would have to be "an American League." He said that the nations of the New World were united by democracy and the same ideals of justice and liberty, and should therefore conserve "a close union of action, so that an attack against any of the countries of America, with violation of the universally recognized precepts of international law, may constitute an offense to all and provoke in them a common reaction." President Machado of Cuba seemed to have a more universal conception when he defined Pan Americanism at the opening of the Havana Conference, on January 16, 1928, as "a constructive work

that does not imply antagonism, but, on the contrary, coöperates for universal peace, for a better understanding among all peoples, for the spiritual and moral unity of the nations of the world."

Are there bases of solidarity upon which to found "a unit in world affairs" in the Western Hemisphere, as President Wilson put it, or "a close union of action," as President Brum put it? In answering this question the first duty of the writer to his readers is to pass in review briefly the Pan American Conferences and to speak of the work of the Pan American Union, which is the continuing organization of the Conferences.

There have been six Pan American Conferences: Washington, 1889; Mexico City, 1901; Rio de Janeiro, 1906; Buenos Aires, 1910; Santiago, 1923; and Havana, 1928.

At the Washington Conference all the independent republics except Santo Domingo were represented. James G. Blaine, American Secretary of State, who in his earlier incumbency of that office had first expressed the desire to get the American republics together, presided.[1] The United States failed to induce Latin-Americans to accept a customs union, which, if established at that time, would have given our industries a permanent monopoly in the Western Hemisphere.

[1] The honor of being father of Pan Americanism is not, however, strictly speaking, Blaine's. Bolivar invited the new republics, and the United States and Great Britain as well, to talk over common interests at Panama in 1826. And there had been four South American conferences before the republics came together at Washington. At Lima, in 1847 and 1864, an attempt had been made to secure common action in the defense of South America and internal peace. Again at Lima, in 1878, a continental conference had tried to codify the principles of international law that all would bind themselves to observe regarding private property. A fourth conference had been held in Montevideo only a year before the Washington Conference.

But a beginning was made in closer trade relations through the establishment of a "Commercial Bureau of the American Republics," with its seat in Washington; and tentative agreements were entered into for the establishment of uniform customs regulations, weights and measures, and laws for the protection of patents, copyrights, and trade-marks. The delegates discussed Pan American compulsory arbitration and reciprocal guarantees of territorial integrity.

Twelve years elapsed. Little progress had been made. Latin America was still far away from us, with most of its trade and virtually all of its cultural relations with Europe. Had it not been for the profound changes brought about by the Spanish-American War, it is probable that a second conference would not have excited enough interest to make it worth while convening. But the new situation of the United States, in possession of Cuba and Porto Rico and proposing to construct as a government policy and under government auspices a canal through Nicaragua or Panama, made the Second Pan American Conference vital. We wanted to see where we were going. So did the Latin-Americans!

Every country was represented at Mexico City. Once more our effort to form a customs union was resisted. But there was much enthusiasm over the Pan American Railway and the proposal to convoke from time to time a "Pan American Congress." All the countries but two signed a treaty for the arbitration of pecuniary claims. There was solidarity in agreeing to the findings of the first Hague Convention. Again compulsory arbitration in the Western Hemisphere was discussed. With the support of Peru and Bolivia, Argentina urged compulsory arbitration for pending

or future disputes. Chile and Ecuador, for reasons we have discussed in the chapters devoted to these states, wanted to limit compulsory arbitration to future disputes, keeping out of any agreement a conflict that might arise from pending boundary quarrels.

At the Third Conference, in Rio de Janeiro four years later, Venezuela alone was missing. Secretary of State Root, though not a delegate, took the floor. He insisted that all the American republics be represented at the next Hague Conference, believing that "this would constitute the final and formal acceptance by the world of the declaration that no part of the American continent can be considered open to colonization." Then he made a plea for arbitration and disarmament and for the creation of a purely American public opinion. However, in the same speech Secretary Root announced the policy, which the United States has consistently upheld in subsequent conferences, that the agenda should be limited to "removing barriers of intercourse and perfecting our knowledge of each other." He barred definitely the discussion of political questions, the settlement of controversies, and the passing of judgment upon the conduct of any state. By this time the United States was beginning to feel that if political questions were discussed we would be jockeyed into an embarrassing position by reason of our new interpretation of the obligations of the Monroe Doctrine. President Roosevelt's statement about the United States acting as "international police power" in the Western Hemisphere had been made since the Mexico City Conference. However, the Rio Conference voted to submit the Drago doctrine to The Hague, manifestly against the wishes of the United States.

The Fourth Pan American Conference was held in Buenos Aires in 1910, at a time when several Latin-American states were celebrating the centenary of their rupture with Spain. Its principal accomplishment was the conversion of the Bureau of American Republics into a permanent organization under the name of the Pan American Union. Heretofore the continuing organization had been authorized from conference to conference by a resolution. In the Second Conference the "Bureau" had gained its Pan American character by being transferred from the sole supervision of the Secretary of State of the United States to a governing board composed of the diplomatic representatives of American countries accredited to Washington, under the chairmanship of the United States Secretary of State.[2] The Third Conference had conferred greater powers on the governing board, and had given it the task of compiling and classifying conventions and treaties among the American republics. The new function as depository necessitated a permanent home, and the republics voted an assessment. Between the Third and Fourth Conferences Andrew Carnegie added $850,000 to the $250,000 contributed by the member states, making possible the purchase of an excellent site and the erection of a building that is still the pride of Washington. As the building and the union

[2] When the furniture was made for the board room of the Pan American Union in 1909, a chair was ordered for Canada similar in design to those for the other American countries. But the relations of Canada to Great Britain were such that that country could hardly be admitted, without furnishing a precedent for other European possessions in the New World. The chair is still there, and it may be that the changed status of Canada since the World War and the appointment of a Canadian Minister to Washington may soon result in the inclusion of Canada in the Pan American Union, thus making it complete.

were the common property of all the American republics, the constitution was amended to provide for representation on the governing board by members of the Union who might not have diplomatic representatives at Washington recognized by our Government.

Our difficulties in Mexico, the West Indies and Central America and the coming of the World War postponed the Fifth Conference until 1923, when all the American republics except Mexico, Bolivia, and Peru met at Santiago, in an atmosphere surcharged with animosity. The whole world was suffering from a post-bellum state of nerves. The unhappy international feeling existing in Europe and Asia spread to the American continents. It was not only that the Latin-American countries were increasingly hostile to the United States, although we had made the *amende honorable* to Colombia, but also that relations were strained among South American countries. Bolivia and Peru were not on speaking terms with Chile. Argentina and Brazil were increasing their naval armaments, as both thought, competitively. When the American delegation disembarked at Valparaiso, there was a hostile demonstration by organized labor, with cries of "What are you assassins doing to Sacco and Vanzetti?"

Señor Edwards, who presided, had already had experience with national antagonisms when he conducted the sessions of the Assembly of the League of Nations at Geneva. He found an even less friendly atmosphere among the guests of his own country. Chile, in fact, herself threw the apple of discord into the Conference by bringing up the question of naval armaments, which provoked a three-cornered argument among Chileans,

Argentines, and Brazilians.[3] More than half the republics joined in remonstrating against the imperialism of the United States in the West Indies and Central America. An unofficial Dominican delegation got into the meeting and brought charges of murder, arson, and pillage against the army of the United States during its "invasion of Santo Domingo."

The Santiago Conference certainly did not make for harmony. It demonstrated not only an almost universal hostility to the United States, but also a lack of solidarity among the Latin-American states. Better understanding with the United States was not advanced, and the development of a friendly feeling among Latin-American republics toward one another was retarded. For all that, the Conference did make progress in erecting a better-running machinery for non-political intercourse among American countries. Resolutions on trade-marks, rights of aliens, publicity of customs documents, and other matters of less importance were passed. Excellent measures for close coöperation in stamping out disease were agreed upon. Whole-hearted indorsement of the altruistic and effective work of the Rockefeller Institute, under the direction of Dr. Vincent, tempered the disappointment of the American delegates.

Outside the Santiago Conference, also, 1923 was a year of plain speaking. The announcement that Eng-

[3] It was President Alessandri of Chile who had asked that the questions of limitation of armaments be put upon the agenda. He might have known what would happen, for Argentina had refused to meet Chile and Brazil informally in a pre-conference discussion of armaments. Her excuse was that Argentina did not believe in secret proceedings in international conferences. Her minister of foreign affairs had already put his country on record at Geneva against arranging moot questions in secret conferences of "the big fellows." But in this case only the A.B.C. group counted.

lish would replace Spanish as the official language of the Philippines, beginning January 1, 1924, had a hostile press in South America. It was charged that this same weapon would be used in the future in Porto Rico, Panama, and even in Central America, for the purpose of establishing Yankee ascendancy, unless Spanish-Americans rallied in defense of their common language. At the Williamstown Institute that year Dr. Veballos, who had been Argentine minister to the United States, said that the prevailing mind throughout Latin America was one of distrust toward the United States. This was considered as a fair interpretation of the situation by leading Latin-American newspapers, especially those of Chile and Ecuador. The "Prensa" of Buenos Aires criticized sharply Mr. Fletcher's report to Secretary Hughes of the Santiago Conference.

The most important revelation of this distressing year was the publication of "El Destino de un Continente," by Manuel Ugarte, the famous Argentine writer. In his diary of a journey through all the republics of Central and South America, Señor Ugarte gave a disheartening picture of Latin America's feeling toward us. He said that there was fear everywhere of economic absorption by the United States, and charged that he had met with more or less open hostility on the part of American diplomatic representatives. The thesis of his book was that Pan Americanism was inimical to the best interests of Latin America, and was especially harmful to Argentina. He called the Pan American Union "an imperial cabinet, with the American Secretary of State for its metropolitan prime minister." He advocated the repudiation of the Monroe Doctrine by South America

in its pretension "to establish a guardianship of the United States over the rest of the Americas." He urged South American countries to get rid of "Wall Street debts," to build railways throughout the continent, financed by their own resources, to create their own mercantile marine, and to establish a South American customs union. He believed that our State Department was a "battering ram for the interests of American bankers, mine and oil magnates, and industrialists."

However, the Ugarte book was not wholly destructive. Señor Ugarte warned his readers that "to show contempt of the United States is rank folly; to hate them would be an inferior sentiment, conducive to nothing." And in his preface he declared that "no one admires more than I do the greatness of the United States and seldom will you find any one with a clearer notion of the necessity of our getting together with them in the development of our future life, but this must be done on an equitable basis."

The influence of this book is not to be underestimated. Among the intelligentsia and growing generation of students in Latin-American universities it had a profound effect in its new edition, widely circulated at the time we were celebrating the hundredth anniversary of the Monroe Doctrine. Several years later, in every contact south of Panama, it was brought up in conversation with us, and we were asked: "Have you read Ugarte? What do you think?" And when we spoke of Pan Americanism our attention was directed also to an article by Señor Quantana, which had appeared in a Buenos Aires review in 1924. The five Pan American Conferences were summed up bluntly in one paragraph:

It is important to bear in mind that Pan Americanism, which may at times seem to us the living incarnation of international law, is something very different from that in the eyes of the Yankees. We should remember that Blaine, who started the series of useless conferences that have occurred at intervals since 1890, was making what proved to be a futile effort to create a continental customs-union, thus laying the foundations of a super-state, whose real character was synthesized later by Secretary Olney when he said: "The United States is practically sovereign in this continent."

Señor Quantana's employment of the word "useless" in reference to the Pan American Conferences is not without some justification. Undoubtedly he had in mind the fact that the treaties and conventions, though virtually all of them concerned minor matters, had not been ratified by all the participating states. More than half the republics had rejected more than half of all these agreements so laboriously concluded. The record of the United States shows the adoption of a scant two fifths of the conventions that had been the work of thirty years. In a larger sense, he meant that the Conferences had proved useless because they were confined to non-political questions. What the Latin-American states wanted was the acceptance by the United States of the thesis that equality of sovereignty and economic rights existed among American countries. In common with other South American writers Señor Quantana believed that the foundation stone of Pan Americanism was the pledge of the biggest country not to use its superior force to intervene in the internal affairs or to shape the destinies of other American states.

The record of the recent Santiago Conference seemed sadly clear as to the conflict between "the big

fellow" and the other states. We had refused to surrender our control of the Pan American Union. We would not discuss the suggestion that the Monroe Doctrine be reformulated in terms of mutual equality and friendly confidence, all the republics subscribing to it and becoming its co-guarantors. We would not entertain the proposal, of which President Brum of Uruguay had long been the advocate, that an intercontinental League of Nations be formed for the Western Hemisphere. We blocked placing on the agenda consideration of the erection of an inter-American Court of Justice, with obligatory jurisdiction over American disputes. At Santiago we had acted as the great powers were acting at Geneva. We were unwilling to abdicate any of the special privileges that size and strength and wealth gave us.

It is small wonder, therefore, that the report of Mr. Fletcher, head of the American delegation, to the Secretary of State confirmed Señor Quantana's characterization of the Pan American Conferences as futile. The report says:

> We know that these conventions and resolutions passed were mostly mere gestures of courtesy, and that the conventions will not be ratified by all the nations present, to say nothing of those that were not represented. All except the trade-mark convention—all other recommendations and declarations—are simply platonic. They are commonplaces about fraternity, peace and conciliation, which everybody endorses as a matter of course after the delegates had defeated concrete proposals to limit armaments and to arbitrate international disputes.

But, just as in the case of the League of Nations, we must remember, when we are passing judgment on the Pan American Conferences, that no Rome is made in

a day. The assertion of particular national interests is not always so unreasonable, so unwise, so tactless, so selfish as it seems. Statesmen have in mind that their first duty is to secure the safety and advance the prosperity of the country they serve. Being too trusting and too generous does not always inspire confidence and affection. The evolution of solidarity among nations may come through the stubborn defense of conflicting aims: only then are its necessity and value realized by all. Set-backs cure obtuseness. Violent shocks make the blind see. Above all, mazes develop a sense of direction. And, all the while, artisans and architects are building Rome.

First under John Barrett, and now for many years under Leo S. Rowe, the Pan American Union has been working quietly for better understanding and closer ties among its constituent members. Much has been accomplished through its library, its publications, the facilities it offers to students of the political and economic history of the two continents, and the full and splendid economic information it is disseminating. Every month, in its beautiful building, the representatives of the American republics get together to talk things over. Good-will is also created by social functions. Most important of all, Dr. Rowe is tireless in his encouragement of and aid to the organization of Pan American conferences dealing with specific problems.[4] Here the business men, the teachers and scien-

[4] The Pan American Union has also interested itself sympathetically in giving encouragement to permanent organizations of hemisphere-wide scope. For instance, in 1921 the Pan American Student League was formed, with international headquarters in New York. In the same year the Pan American College of Commerce was opened in Panama under government auspices. In 1927 the Pan American School of North America began to offer courses in Richmond, Virginia.

tists, the leaders in thought meet to talk over what they are particularly interested in. Understanding comes through the special conferences, where political ambitions, rivalries, and suspicions are for the most part barred. We can only give a list of some of these conferences, to indicate the character and scope of their activities.

The first Pan American Commercial Conference was held in 1911, the second in 1919, and the third in 1927. The first Pan American Financial Conference was held in 1915 and the second in 1920. The first Pan American Scientific Conference was held in 1907, the second in 1915, and the third in 1924. There have been three Pan American Conferences of Architects, eight Sanitary Conferences, five Child Conferences, two Conferences of Women, two Standardization Conferences; and the Pan American Federation of Labor has come together five times. We have record also of Pan American meetings of the Commission on Consular Procedure, the Conference on Eugenics and Homoculture, a Commercial Aviation Congress, and a Postal Congress. These have been held in virtually all the capitals of the members of the Pan American Union in rotation.

The conferences of specialists have been invaluable in furnishing to the general conferences the information—and sometimes tentative draft agreements—needed as the basis of drawing up treaties and conventions.

Of equal importance, but not included in the above list because of the political implication of their work, have been the two Pan American Jurist Conferences, the first held at Washington in 1916 and the second at Rio de Janeiro in 1927. At the first conference the

jurists adopted as the basis of international law in the Western Hemisphere a declaration of equal rights, and formulated the fundamental principles that needed to be observed in the relations between the United States and Latin America and among the Latin-American states. The conference had the two Hague conventions as a guide for its international work, and it met at a time when disregard of international law and the rights of neutrals and noncombatants was everywhere being shown on both sides in the struggle in Europe. The second conference had the advantage of five years of experience of the International Court of Justice. It met less than a year before a sixth general conference was to be convened. Politics entered into the Rio Jurist Conference. By the very nature of the subjects with which they had to deal it was impossible for the delegates to avoid discussing the right of intervention and the possibility of a Pan American Court, seeing that the United States had not entered the International Court of Justice set up by the League of Nations. How the representatives of the United States, after being in agreement, were not allowed to sign the recommendations we have already related.

The impracticability of a Pan American Court of Justice, from the viewpoint of the United States, was evident at Rio de Janeiro, when the thorny points of jurisdiction and composition had to be put in draft form there for submission to the forthcoming Havana Conference. Could the United States grant such a court obligatory jurisdiction over differences that we might have with Panama and the Caribbean states, where our special interests in the Panama Canal were at stake? This was not an academic question. Since 1926 we have seen Panama challenge our interpretation of

treaty rights in the Canal Zone. The State Department refused to commit the United States to obligatory reference of any such vital question as this to a Pan American court. And in what way could this country receive equitable representation on such a court? Not only is our population larger than that of the nineteen other republics combined, but also we are the sole creditor nation. If judges were chosen on the basis of population, we should have the other countries at our mercy. If they were chosen on the basis of member units, how could we expect impartial judgment from such a tribunal?

We have been given to understand by a competent authority that virtually all the jurists at Rio realized that either The Hague Court or the League's World Court offered a fairer chance for both American parties in any kind of international dispute. Here again a delicate situation arose. The jurists could hardly agree to recommend to the next Pan American Conference the use of The Hague instead of Washington as the proper solution of finding a satisfactory legal arbitration tribunal. The United States was not a member of the Court. She might regard obligatory reference of purely American questions to a court dominated by Europeans incompatible with the Monroe Doctrine. So nothing was done about the Pan American Court of Justice.

At the end of 1926 a Pan American good-will flight was undertaken by the United States army. Major Herbert A. Dargue, commanding five airplanes, left Washington to carry our greetings to the twenty other republics of America on a 22,000-mile flight. In Argentina two of the planes collided. Aside from this accident, the flight was wholly successful. The Ameri-

can aviators visited Mexico and Central America; circled the South American continent, with inland trips to Paraguay and Bolivia; leaving Venezuela at Trinidad, they went along the line of the West Indian islands to Havana, and returned to the United States at Miami. They had stopped at every capital, and were well received in all the countries. A year later Colonel Charles A. Lindbergh made a second good-will flight in the same airplane that had taken him from New York to Paris. In South America, however, he visited only Colombia and Venezuela. Both these flights helped the United States considerably, especially Lindbergh's visit to Mexico City at a moment when Ambassador Morrow was trying to arrive at a diplomatic understanding with our nearest Latin-American neighbor over questions that had been pending fifteen years.

Latin-Americans are excellent sportsmen.[5] We have seen that on numerous occasions. No European rivals in boxing and polo have competed with us with less friction than Argentines. The Uruguayan and Argentine football teams showed the best kind of sportsmanship at Paris in 1924 and Amsterdam in 1928. Their aviators have lived up to the highest traditions of the flying fraternity. Generous in their admiration for feats of individual daring and skill, it was not surprising that Latin-Americans gave the Yankee aviators a hearty welcome. But that did not mean a change of heart in regard to their attitude toward the country from which the aviators came. Shortly after the visit of Major Dargue and his intrepid comrades an

[5] It is interesting for us to note that at the Olympic games in 1928 the marathon race was won by an African. A South American was second, an Asiatic third, a European fourth. Our continent was fifth.

American missionary in Chile, with more than thirty years of service to his credit, wrote to his church board in New York: "The imponderable influences within South American republics are all working silently against the United States. We must endeavor to slough off in our work here everything which savors of North Americanism." Similar reports came from the training school of the Young Men's Christian Association in Montevideo, which was undertaking a continent-wide work. The Rockefeller Foundation had found the same feeling of antagonism. An exhaustive report of Ambassador Poindexter, sent from Lima, confirmed what unofficial Americans, working in different parts of South America, had written.

It is not surprising, therefore, that some newspapers of importance, in the United States as well as in Latin America, thought that the Sixth Pan American Conference, to be held in Havana at the beginning of 1928, would not accomplish much good and might do harm. Chile, Brazil, and Panama intimated that the moment was inopportune. Concerted opposition was foreshadowed by the proposal to establish an "Ibero-American League of Nations," adopted by delegates from Argentina, Uruguay, Peru, Honduras, and Guatemala at a convention in 1927. They had responded to a call to form a coalition of "independent American states" for the purpose of combating Pan Americanism. "La Prensa" of Buenos Aires, after Secretary Kellogg, as chairman of the Pan American Union, issued the convocation for the Sixth Pan American Conference, wrote editorially that Washington was wrong in thinking that anti-American sentiment could be counteracted by reassurances at Havana on the part of distinguished citizens of the United

States. "La Prensa" felt that we were blind to the cause of our being an object of suspicion to the other republics of the two Americas and that we had not prescribed a cure. What existed in South America was "an instinctive reaction against certain acts which endanger the territorial and political integrity of independent states." "La Prensa" prophesied that "delegates will lack the powers to deal concretely with the subjects that are the real reason of suspicion and will limit themselves to speeches, obscure phrases, and pointless conclusions."

A few days later the other great Argentine newspaper, "La Nación," declared that if it was seriously intended that the Havana Conference should accomplish anything worth while, Secretary Kellogg would have to "extend the agenda to include problems of a political nature which lately have occupied the continent." Otherwise "the work of the conference will not differ materially from that of other conferences which have reiterated innocuous declarations of firm international friendship rather than discuss with frank energy the problems that preoccupy America."

Despite these warnings, the force of which appealed to all students of Pan Americanism in the United States, the subjects that it would have been worth while to discuss were omitted from the agenda. It was not that member states had failed to suggest important topics. To the Pan American Union there came officially from Argentina, Haiti, Santo Domingo, Mexico, and Paraguay resolutions to be put on the agenda, each dealing in different language (except that the resolution of Santo Domingo and Mexico was identical) with the one all-engrossing problem of inter-American relations. The Haitian resolution defined

intervention as "any action carried out by a state, whether by means of diplomatic pressure or armed force, in order to force its will upon another state." Mexico and Santo Domingo wanted it understood that "the consent given to the occupying state by the state occupied will not legitimatize the occupation." Paraguay asked that intervention of any sort be considered by a decision of the Pan American Conference "as a violation of international law." Argentina summed up the keystone problem of Pan Americanism in a one-sentence thesis, which is that of every country in the Western Hemisphere but ourselves: "A state may not intervene in the internal affairs or in the external affairs of another state."

Other questions that different Latin-American states desired to have put on the agenda were tariff and immigration. But when the agenda were communicated to the members of the Pan American Union, their items were: organization of the Pan American Union; minor matters of a judicial nature; problems of communication; intellectual coöperation; minor economic problems; and social problems. Everything of a political nature was ruled out. No mention was made of questions of Pan American relations uppermost in men's minds.

For this reason, despite the *éclat* that attended its opening and the great importance attached to it by the press of the United States, the Havana Conference was still-born. Everybody knew it but official Washington. Of course, our Government probably knew it too. But we went to Havana with a more imposing delegation than has ever before been sent by this country to a Pan American conference.

President Coolidge arrived on the battle-ship *Texas*.

Accompanying him were Charles E. Hughes, former Secretary of State; Henry P. Fletcher, Ambassador to Italy, who had represented the United States in previous years in Chile, Mexico, and Cuba; Dwight Morrow, Ambassador to Mexico; Judge Morgan J. O'Brien, international lawyer and banker of New York, with diplomatic experience in South America; Ray Lyman Wilbur, President of Leland Stanford University and of the Pacific Conference on International Relations; James Brown Scott of the Carnegie Endowment for International Peace, good friend of all Latin-Americans; and Dr. Leo S. Rowe, Director-General of the Pan American Union.

Havana received the visiting President enthusiastically. There was a great fête. At the opening of the Conference, Presidents Coolidge and Machado vied with each other before the eighty-three delegates of twenty countries and the world listening in on the microphone to say the nicest things they could about Cuba and the United States and peace throughout the world. President Coolidge said that the spirit of democracy animated the Conference, whose smallest and weakest member could speak with the same authority as the largest and most powerful, that we must all preserve "the ideals of the Western world," that there was room in our great hemisphere for everybody, that the orderly rule of law was necessary for progress, and that the Golden Rule must be put above the mere letter of the law. Then he sailed home, leaving the interests of the United States in the hands of Mr. Hughes.

Nothing very disagreeable was said by any one. The President of Cuba had censored his own press and did not allow other newspapers to be sold in Havana

to destroy the spirit of harmony working there. And Latin-Americans, however they may feel, maintain a courteous, if not always a calm, exterior. Rudeness and boorishness are to them offenses beyond the pale. They are sometimes reluctant to say what is on their minds —to one's face, at least—because that might not seem good form. But they could not find, from the beginning of the Conference to the end, any indication of a desire on the part of the American delegation to apply the Golden Rule, of which President Coolidge had spoken so beautifully, in international relations of the Western Hemisphere. Our tactics were to be as good-humored as we could, matching manners, but to throw out of discussion any question where we would have the worst of the argument, and to yield as little as we could to others when questions were raised that we were willing to discuss.

If we regard the Havana Conference as an international gathering in which we were on the defensive, and during which Governor Hughes maneuvered to keep us from falling into traps or getting into the embarrassing position of being under fire, we can call our participation in it a success—or at least a danger avoided. From beginning to end the able leader of our delegation acted as a lawyer, with the United States as his client. No better counsel for the defense could have been chosen. Señor Bustamente, who presided, was unstinted in his praise of the generalship of Governor Hughes. A great lawyer was fighting a great battle.

When Señor Pueyrredon proposed a modification of tariff obstacles in order to promote free economic intercourse among American states, Governor Hughes replied that this was outside the agenda. When immi-

gration was discussed, he put forth, through Ambassador Fletcher, the plea that the American Congress had exclusive authority in immigration matters and that therefore they were not subject to diplomatic negotiations. When the Mexican delegation proposed rotation of chairmanship in the Pan American Union, and that its director should not always be a citizen of the United States, Governor Hughes answered that the permanent chairmanship, vested in the American Secretary of State, gave no undue authority, and that it was the best way of having some definite presiding officer at the meetings. When the Mexicans raised the question that Costa Rica had raised in 1923 at Santiago, about a country not necessarily being represented on the governing board by its diplomatic representative at Washington, Governor Hughes replied that it was agreed that all members of the Union enjoyed representation "as a right," but that the designation of the ambassadors and ministers of the states at Washington as their representatives on the board was "the only practicable way of composing the board."

During the last week of the Conference, when the question of intervention came up despite the determination to bar it, Governor Hughes sprang to his feet and made an improvised speech in which he pointed out that the United States was in Nicaragua at the request of both parties and in the interest of peace and order and a fair election. Dramatically he called upon the Nicaraguan delegate to confirm this statement. Thus adroitly he turned the discussion away from the general proposal to adopt a non-intervention resolution to the highly debatable question of the justice or the common sense necessity of a specific case

of existing intervention. When another delegate wanted to lift the debate to technical legal grounds, the American lawyer was right in his element, and made a frank exposition of the case of the United States against the Nicaraguan rebels. Although thirteen states, in the debate, had favored non-intervention, Governor Hughes got the question buried by reference to a subcommittee. The dangerous subject was reopened when the Peruvians, friendly to us, suggested that if intervention had to take place where a state had not fulfilled its duties, it should take place "under some form of international responsibility." Once more the head of the American delegation had to show his superb forensic ability.

In one of the eight commissions there came up the question of recommending a commercial aviation convention to the Conference. The effort of the United States to create a monopoly at Panama of air-mail routes from South America northward and overseas had already been successfully opposed at the Pan American Aviation Conference by Argentina. Argentina's position, wholly reasonable, was that the open door should swing both ways from one continent to the other. If aviation companies of the United States were to be allowed bases at Panama in establishing their routes to South America, exactly the same privilege would have to be accorded to South American countries in extending their lines northward. It will be remembered that we had barred the Scadta of Colombia from landing in the Canal Zone. Argentina insisted that in non-military flying over the Canal all nations should be barred or none. Our monopolistic attempt was defeated at Havana. The Conference commission refused to indorse the article permitting

the United States to carry munitions of war over Central America to Nicaragua and Panama.

Another case of conflict, in which our selfish position was exposed, was when Argentina opposed our proposal that a trade-mark bureau be established for Pan American nations. Señor Espil, for Argentina, called attention to the fact that virtually all Latin-American countries are producers of raw material, which cannot well be branded, and raw materials alone. Not being manufacturing nations, what is the advantage of a Pan American trade-mark bureau except to favor manufacturers of the United States? Such a bureau would not be of mutual advantage to all the American republics. In fact, as the larger South American states buy from Europe as well as from the United States, South America's interest lies in stimulating competition. This is always the purchaser's interest. When he suggested that the International Trade-Mark Bureau at Berne was a sufficient protection to South Americans against false trade-marks, there was nothing the American delegates could say.

Out of the Sixth Pan American Conference's five weeks of discussion came only a few minor conventions and treaties, such as the previous conferences had adopted, and a declaration of renunciation of war as an instrument of national policy, proposed by Mexico, which was to be signed in Washington on December 10, 1928.

The next Conference was set for 1932 at Montevideo. Whether the other twenty states of the Western Hemisphere can present a united front to the effort of the United States to control the destinies of the Western Hemisphere remains to be seen. At Havana the Conference would have ended in disorder, despite

Governor Hughes' skill, had not the Nicaraguan, Chilean, Peruvian, Cuban, and Brazilian delegations been instructed by their governments not to stand out against the United States on any important issue, and had not the head of the Argentine delegation been embarrassed in speaking authoritatively for his Government through being involved in an approaching Presidential election. Divided, whatever may be the reasons for the division, Latin America will have to accept the hegemony of the United States. United, Latin America might resist the extension of our economic imperialism. The third possibility is that some states will group themselves around the United States, and that other states will form a more or less close entente under the leadership of Argentina.

But whatever may be the future of Pan Americanism, it certainly will not be, as long as we preserve our present attitude, what those who dreamed of it had in mind—a manifestation of solidarity of interests, fostered through mutual good-will and trust, of the nations of the Western Hemisphere in the face of Europe.

There are natural reasons against the growth of any such solidarity. We have tried to show, in brief compass and therefore necessarily incompletely, how disparate are the influences, geographical, ethnological, social, and economic, that have been working for centuries to create a bond between the United States and Canada on the one hand, and among all the states of Latin-America, with the exception of Argentina, on the other. Even Argentina is very different from us. An American general put the situation brutally one day when he said to us, "They are not the same breed of pups." One could argue that they were as good a

breed, and a more American breed, a wholly admirable breed, with great hope for the future, without proving that the general was wrong.

We doubt, therefore, the possibility of ever finding cultural bases of Pan American solidarity and understanding. Differences are too great. Our study of the history of the internal political development of Latin-American countries makes seemingly improbable the evolution of governmental institutions like ours. But in this changing world there can be no doubt of the interdependence of the countries of the Western Hemisphere on two counts: their common security against dangers that might come in either direction from overseas, and their common prosperity through the interchange of what they produce.

For these reasons South Americans as well as ourselves are willing to get together. Only the ignorant and the hotheads are opposed to the development of intimate Pan American relations among the twenty-one republics. Latin America combined against the United States would be a danger to us. The United States, supreme in the Western Hemisphere and mistress of the destinies of the continent, would be a danger to Latin-Americans. The growth of two political groups, satellites of the United States and Argentina, would make non-American powers or groups of powers the controlling factor in our future. Does not Pan Americanism, along the lines of the original conception, then, appear as the fourth and saving possibility?

It will not be fostered, however, by fair words. It will not be made possible by laying stress on non-essentials and following will-o'-the-wisps. If ever we are bound to one another, it will be by mutual inter-

ests. How can these interests be brought to the attention of the twenty-one republics, and how can they be made to seem worth developing and defending?

The importance of the United States to South American countries is realized by most of them. We are their bankers and engineers. We are their best customers, and we are gradually learning to offer them goods that they want to buy. We receive their students in large numbers in our universities, and we have established some institutions, like MacKenzie College in São Paulo, in their continent which help them to understand the non-political and non-financial side of us.

There remains to be done what President Coolidge spoke of at Havana—to apply the Golden Rule in our national intercourse with all countries of the New World, large and small. Now the Golden Rule is an absolute rule, and infractions of it cannot be explained away. Nor do we need lawyers to interpret it and to justify supposed applications of it that are in direct contradiction to both its letter and its spirit. We would not allow any other nation to treat us as we have frequently treated many, and as we are still treating some, sister republics in our own continent. If we intervene in the internal affairs of any other country, no matter what the excuse or pretext, we are not observing the Golden Rule.

Since the beginning of our national life it would have been hateful to us to have been the object of any unilateral declaration of policy on the part of any other nation, even though it was to our interest that the other nation should have declared the policy. There is no time in our history that we should not have been like France, when, after the World War, France said

to Great Britain that she would be glad to make a treaty mutually binding the two countries to protect the other's territory, but that self-respect would not allow her to accept Great Britain's assurance of protection. In its present form the Monroe Doctrine is altogether hateful. The Golden Rule would have us replace it by a Pan American treaty in which all the nations of the New World should mutually make the declaration of policy that it contained.

By the same token, the Panama Canal belongs to all of us, does it not?

In conclusion, our survey of South America will not have been made in vain if our readers are willing to think seriously over the problem of Pan American relations, and what the United States can do to improve them.

We are all in favor of increased investments and greater trade in our own hemisphere. But let us not believe that the security of the investments and the value of the trade depend upon strong-arm methods on the part of our Government. Quite the contrary is true. One's friends not only make a man prosperous: they keep him so. We want the other republics of America to be our friends. In order to make them our friends, the same things are necessary in our relations with them that create good-will for our business at home.

We must not insult them. We must not even hurt their feelings unwittingly. We must treat them decently. We must mind our own business and let them mind theirs. We must associate them with us in all measures for common good. We must share with them the common natural resources of the two Americas.

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